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House of Representatives

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. WEINER).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
May 17, 2007.

I hereby appoint the Honorable ANTHONY D. WEINER to act as Speaker pro tempore on this day.

NANCY PELOSI,
Speaker of the House of Representatives.

PRAYER

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

Lord God, who graces the open field with wild flowers and will not allow the sparrow to fall from the sky, You invite us not to worry about needless things.

Certainly there are problems this Congress and every American must face and do their best to solve. It is the unsolvable problem, the indifferent attitude, and the cold heart we must turn over to You.

Because anxiety and anger often enough create heat but no light, we also turn to You in prayer and seek Your wisdom.

With faith in Your faithfulness, Lord, we can reduce fear and hesitancy. By living in Your presence and knowing Your love for us, for others, even our enemies, we can conquer internal conflicts and be better in our self-defense and wiser in our judgments.

So be with us, Lord, and with our military forces now and in the hour of our greatest need. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Nevada (Mr. PORTER) come forward and lead the House in the Pledge of Allegiance.

Mr. PORTER led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Ms. Curtis, one of its clerks, announced that the Senate has passed without amendment concurrent resolutions of the House of the following titles:

H. Con. Res. 62. Concurrent resolution supporting the goals and ideals of a National Children and Families Day, in order to encourage adults in the United States to support and listen to children and to help children throughout the Nation achieve their hopes and dreams, and for other purposes.

H. Con. Res. 79. Concurrent resolution authorizing the use of the Capitol Grounds for the Greater Washington Soap Box Derby.

H. Con. Res. 121. Concurrent resolution recognizing the benefits and importance of school-based music education, and for other purposes.

H. Con. Res. 123. Concurrent resolution authorizing the use of the Capitol Grounds for the District of Columbia Special Olympics Law Enforcement Torch Run.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain up to 10 one-minute speeches on each side.

FIGHT FOR OUR RIGHT TO PARTICIPATE

(Mr. WILSON of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILSON of South Carolina. Mr. Speaker, yesterday Republicans were forced repeatedly to use procedural maneuvers to protest the unjust proposed change of current House rules denying the minority's right to participate in floor debate.

The political headlines today are correct: ''Dems Bend Rules, Break Pledge.'' If enacted, this would be the first change to such a rule since 1822.

After declaring to run the ''most open Congress in history,'' Democrat leaders have repeatedly broken this promise and sought to stifle the minority's voice, beginning with their first 100 hours and now even through 100 days.

If Democrat leaders are intent on suppressing the representative voice of nearly half of the American population, Republicans are left with no choice but to fight for our right of participation in the legislative process.

In conclusion, God bless our troops and we will never forget September 11.

ETHICS REFORM

(Mr. BLUMENAUER asked and was given permission to address the House for 1 minute.)

Mr. BLUMENAUER. Mr. Speaker, as the ethical cloud of the last dozen years has hovered over Congress, I am proud that the new Democratic Members are aggressively pursuing an agenda of ethics reform. Long overdue.

I have introduced bipartisan legislation with my Oregon colleague, GREG WALDEN, to help establish an independent commission to do the hard work of professionally investigating and evaluating ethics charges. I am hopeful that some provision of that nature will find its way to the floor. The

Democratic leadership has indicated that they will allow votes on key provisions and allow the votes on such proposals, the chips to fall where they may.

I am confident with a wide range of choices that we will be able to have a longer, stronger prohibition from the congressional lobby revolving door and independent oversight. I hope that Members from both sides of the aisle will seize this opportunity to strengthen our ethics framework.

THE HOUSE BUDGET RAISES TAXES AND SPENDING AT UNPRECEDENTED LEVELS

(Mr. RYAN of Wisconsin asked and was given permission to address the House for 1 minute.)

Mr. RYAN of Wisconsin. Mr. Speaker, today the Democrat majority is going to bring the House budget resolution to the floor. Last month when they passed the budget resolution, it was the largest tax increase in American history. Today they are bringing a budget resolution to the floor that is slightly an improvement: It is the second largest tax increase in American history. And the only thing that is separating this budget from being the largest tax increase in American history is what they call the ''tax trigger,'' and under their tax trigger, if they actually get to spend all of the money they are hoping to spend, then the surpluses will not materialize and no taxes will be spared and it will yet again become the largest tax increase in American history.

This budget is unprecedented in its scope of its ability to tax and spend. The highest levels of taxes we have ever seen in this country and the highest levels of spending. That is not a way to balance the budget and set our fiscal house in order. We should vote against this budget, which raises taxes and raises spending at unprecedented levels.

ALTMIRE-UDALL AMENDMENT TO H.R. 1585

(Mr. GEORGE MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEORGE MILLER of California. Mr. Speaker and Members of the House, last night the House adopted the Altmire-Udall amendment to provide military families with very simple but much needed support while loved ones are away on combat duty.

Under the amendment that was agreed to, a worker can take family and medical leave to deal with the issues that arise as a result of a spouse, parent, or child's deployment to a combat zone like Iraq or Afghanistan. Under this amendment family members can use the leave to take care of issues like making legal and financial arrangements and making child care arrangements or other family obligations that arise and double when family members are on active duty deployments.

Supporting the troops is more than a bumper sticker. We must support the troops with all of the support that they need so their families can continue to function during the difficult times of deployment. These deployments and extended tours are not easy on families, and two-parent households can suddenly become a single-parent household and one parent is left alone to deal with paying the bills, going to the bank, picking up the kids from school, watching the kids, providing emotional support to the rest of the family. You have got to deal with these predeployment preparations.

This amendment is a good amendment. I hope that the House will support it with the passage of the legislation. Last year, tragically, it was thrown out in the conference committee and was given no consideration by the majority party of the last Congress.

AMERICANS' LUST FOR NARCOTICS

(Mr. POE asked and was given permission to address the House for 1 minute.)

Mr. POE. Mr. Speaker, the border war is increasingly more violent because of the drug cartels seizing control of areas in Mexico to manufacture drugs.

According to the Associated Press, President Calderon has called out the Mexican military to take out the drug smugglers. But some say the drug cartels have more money and outgun even the military. Recently, seven journalists reporting on the ''drug war'' have been murdered, the second most dangerous place for a reporter in the world next to Iraq. Thousands of Mexican citizens have been killed in the violence.

But the problem is not just in Mexico. As long as the United States does not protect our borders, the drug barons will continue to ship those drugs to America.

Some estimate the cartels make between $10 and $30 billion a year shipping that cancer to America.

But the problem has a third ingredient. It is not enough for the military to control the violence in Mexico. It is not enough for us to secure our borders. But the violence will continue until the American consumers curb their lustful appetite for narcotics.

And that's just the way it is.

THE PRESIDENT SHOULD HAVE SUPPORT OF THE CONGRESS REGARDING WAR

(Mr. MCDERMOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MCDERMOTT. Mr. Speaker, in 2002 this House gave the President a blank check to go to war. He has gone to war on a very, very shaky basis in Iraq.

Last night, with 10 minutes' debate, we extended the presidential blank check to Iran.

Every morning as I come into my office, I pass the pictures of 75 members of the military from Washington State who have died. How many more are going to die in the war in Iran? We need more than 10 minutes to debate that.

When this country went to war in Vietnam and we extended the war to bombing Cambodia, there was no debate on this floor about that issue. There should be debate, and the President should have a vote of the Congress. They left off the roof with that escalation in Vietnam. They'll do it again if they don't have the support of the Congress.

HOUSE LEADERSHIP BENDING THE RULES TO PASS EGREGIOUS TAX-AND-SPEND POLICIES

(Mr. WALBERG asked and was given permission to address the House for 1 minute.)

Mr. WALBERG. Mr. Speaker, though I am only in my fifth month of service in this Chamber, I have developed a deep admiration and respect for the men and women in this body. But, frankly, Mr. Speaker, I am concerned that the new House leadership has been inflicted with a severe case of amnesia.

In March of 2005, the then Democratic minority in the House released a report accusing the then Republican majority leadership of abusing their power through parliamentary tactics designed to suppress dissent. The same leadership that published that report over 2 years ago pledged, at the beginning of this very year, to run the ''most honest, most open, and most ethical Congress'' in history.

Yesterday these leaders attempted to change a 185-year-old House rule to dramatically increase taxes and government spending against the will of the minority party and the American people. Is this really the way to run the self-proclaimed most honest and most open Congress in America's history?

While House leadership may suffer from amnesia, the American people most certainty do not, and bending the rules to pass egregious tax-and-spend policies will not stand in this people's House.

TRAVEL AND TOURISM: AMERICA'S FRONT DOOR

(Mr. FARR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FARR. Mr. Speaker, today we are going to debate and vote on the Defense bill. And I stand today to talk about a different issue. About an offense. An offense that celebrates the greatness of America.

I join today with Representative JON PORTER, my cochair for the Congressional Tourism and Travel Caucus. What we want to point out is that the greatest strengths of America lie in its land and its people and the best way to know that is to get out and about, or be a tourist.

One doesn't have to go far. They can be in their own community. We will also see many people from other parts of the world coming to the United States this summer. And our issue is to make awareness of this. Reach out. Thank people who are in the tourism industry, whether it is a bus driver or an airplane pilot or a waitress in a restaurant. Celebrate the greatness of America. Look at this building, this town, this great city, the great people that have built the history of this town.

Tourism is everywhere, and tourism is the greatest asset America has to expose.

□ 1015

NATIONAL TOURISM WEEK

(Mr. PORTER asked and was given permission to address the House for 1 minute.)

Mr. PORTER. Mr. Speaker, I stand today with the gentleman from California (Mr. FARR) celebrating America, and that's great news. There are a lot of things that challenge us as a country, but there are some great things happening. Mr. FARR and I are cochairmen of the Travel and Tourism Caucus, and we are here today to talk about National Tourism Week.

I represent the great State of Nevada, where we have about 45 million visitors a year to our communities. But more importantly, the tour and travel industry in this country represents number one, two and three in every economy across the United States of America. Seven hundred billion dollars annually is spent on tour and travel, and that's about $109 billion in tax revenues. That's $22,000 a second, $1.3 million a minute, $80 million an hour, and $1.9 billion a day is spent on tour and travel in the United States. It is the largest employer in the country, with 7.5 million jobs. International spending is $108 billion.

I would like to recognize, for all those communities, and all those folks that represent the tour and travel industry how important it is to our economy, but also how important is to the world to share in this great America.

HOUSE WORKS IN STRONG BIPARTISAN FASHION TO ADDRESS THE NEEDS OF OUR ARMED FORCES

(Mr. WILSON of Ohio asked and was given permission to address the House for 1 minute.)

Mr. WILSON of Ohio. Mr. Speaker, at the end of the day today, this House will send our military a strong message, that we are going to provide them the equipment and the benefits that they so desperately need and deserve as they continue to fight two different wars in Iraq, and certainly in Afghanistan.

This legislation, Mr. Speaker, will help protect our troops on the battlefield by providing $4 billion for special vehicles, transportation, that is going to be used in these two wars.

At a time when our equipment is being worn out, the legislation also creates a Defense Readiness Production Board that will identify serious readiness issues and will then allow the board to address those issues through funds that are placed in a Strategic Readiness Funds.

In this House, we certainly have differences on how to proceed in Iraq, but we are united in ensuring that our troops are taken care of, both on the battlefield and here at home.

Let's support this bill today.

MARIETTA

(Mr. GINGREY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGREY. Mr. Speaker, I rise today to congratulate the city of Marietta, Georgia on being named one of the Nation's top best communities. The National Civic League has designated Marietta as an All-American city for its exemplary and innovative work to strengthen the community through citizen participation.

Marietta was recognized for several programs that cut to the heart of the city's commitment to improving the lives of its residents. The Marietta Reads program helps children develop critical literary skills. The M–STAR program helps reduce crime. And the Marietta Revitalization Program helps to create affordable housing and foster safe communities.

Mr. Speaker, this is a tremendous and well-deserved honor, as the citizens of Marietta have put their hearts and souls into strengthening our community. In fact, Marietta is only the fourth Georgia city to ever achieve this distinction in its 57-year history.

We all know that when our friends and neighbors come together for the common good, something special happens in our cities. Schools improve, the economy is bolstered, and our streets are safer. I am incredibly proud that Marietta is leading the way on these important initiatives. I ask my colleagues to join me in congratulating the city of Marietta, its Mayor, Bill Dunaway, its members of Council, and especially my councilman, Van Pearlberg.

ROTELLA INTERDISTRICT MAGNET SCHOOL

(Mr. MURPHY of Connecticut asked and was given permission to address the House for 1 minute.)

Mr. MURPHY of Connecticut. Mr. Speaker, I am especially proud to rise today in honor or the Rotella Interdistrict Magnet School in Waterbury, Connecticut, which recently received the Ronald Simpson Deserved Merit Award. This award, considered the highest recognition for magnet schools in the Nation, is given to only one school a year for its exceptional academic standards and achievements.

The Rotella School is a dynamic learning community of 600 students in pre-kindergarten through fifth grade. Rotella serves urban and suburban students who represent a diverse group of backgrounds from around Waterbury. Its unique, art-based curriculum challenges students to excel, and encourages them to express themselves through arts.

Students who are exposed to the arts have higher test scores, better school attendance and increased self-discipline. Rotella is a testament to the power of arts in education.

Mr. Speaker, I am deeply proud to stand here today in recognition of Rotella, its administrators, its students for their contribution to our community. They are truly an inspiration to Waterbury. I also commend Rotella's principal, Gina Calabrese, for outstanding work at Rotella and receiving this distinguished award.

CARSON FARIS, RN

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, on Monday, we passed a resolution recognizing AmeriCorps Week. While AmeriCorps' particular design provides a tuition reward, true volunteering comes with the expectation of nothing in return.

A woman from my hometown of Ocala, Florida so embodies pure selflessness that I would like to praise her today publicly.

Carson Faris is a registered nurse and a certified occupational health nurse specialist with E–One. However, her caregiving nature does not end there. Nurse Faris mentors addicted women through the rocky path of recovery. Further, in addition to her own 10 pets, she shelters at-risk cats and serves on the board of directors for the Humane Society of Marion County and volunteers at the animal shelter. Also, she serves as an advisory board member for the Marion County unit of the Florida Blood Centers. Oh, and by the way, she is the treasurer of the Florida State Association of Occupational Health Nurses.

Nurse Faris shines as a beacon of true volunteerism.

PRAISING EOSINOPHIL AWARENESS WEEK RESOLUTION

(Mrs. BOYDA of Kansas asked and was given permission to address the House for 1 minute.)

Mrs. BOYDA of Kansas. Mr. Speaker, last month my congressional office was flooded with letters asking me to cosponsor the National Eosinophil Awareness Week Resolution. All of these heartfelt notes, as it turned out, were authored by the family and friends of an 11-year-old girl who lives in my district, Jessica Seidel. Jessica and her mother are here with us today.

Jessica suffers from a rare eosinophil disorder that causes her body to mistake common proteins as foreign bodies. The disorder makes Jessica's life very hard. Only last week, she had to move out of her house because her basement flooded, rendering the house unliveable for her.

Despite these challenges, Jessica remains a remarkable girl. She is visiting me here in Washington today, and I am impressed by her poise and her courage. I am very pleased that on Monday, the House unanimously approved the Eosinophil Awareness Week Resolution. Our vote was meaningful and it was important, not only to Jessica and her family and friends, but to every sufferer of an eosinophilic disorder across the United States.

OPEN SEASON ON THE AMERICAN TAXPAYER

(Mr. PRICE of Georgia asked and was given permission to address the House for 1 minute.)

Mr. PRICE of Georgia. Mr. Speaker, the Democrat budget being brought to the floor today is not about leadership, it's about passing the buck, billions of them, onto our children.

This Democrat budget will raise taxes by more than $200 billion over the next 5 years. And if these massive tax hikes don't bring in the revenue they want to keep expanding government, they will trigger more tax increases so they can pay for future spending. This is not leadership.

Despite the repeated warnings of every expert, this does nothing to deal with our Social Security and Medicare crisis. This is not leadership.

Tax-and-spend season is alive and well here in the House of Representatives.

Now, we can eliminate the deficit without raising taxes, but it will take setting priorities, making tough decisions to rein in our colossal government spending and working together. That's leadership.

This budget is forcing the American people to pay for a lack of leadership, and that's wrong. And the American people are watching.

THE ENSURING ACCESS TO CONTRACEPTIVES ACT

(Mr. CARNAHAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARNAHAN. Mr. Speaker, I rise today in strong support of international family planning.

In the developing world today, contraceptive supplies are often unavailable, placing the health and well-being of millions of people at risk.

Currently, the global gag rule limits access to contraceptives by prohibiting the U.S. to giving family planning aid to certain foreign nongovernmental organizations. That's why I have introduced the bipartisan Ensuring Access to Contraceptives Act of 2007 with my colleague, Representative CHRIS SHAYS.

Our bill carves out a specific exception to allow the U.S. to provide contraceptives to developing countries. In addition, this bill will double the amount of funding USAID is authorized to spend on these programs.

I urge my colleagues to join us as cosponsors. This bill will help prevent unintended pregnancies, reduce incidents of maternal and child mortality, improve the health of women, and prevent the transmission of sexually transmitted infections.

IN HONOR OF WILLIAM E. COCHRAN

(Mr. BOOZMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOOZMAN. Mr. Speaker, I rise today to offer my heartfelt congratulations and thanks to a fellow optometrist, a leader in our profession, Dr. William Cochran. For 24 years, he has led my alma mater, the Southern College of Optometry, and under his guidance the institution has flourished, turning out highly-trained optometrists and serving 60,000 patients a year. His commitment to his faculty, his patients and students are examples we can all follow here in the Nation's capital.

I congratulate Dr. Cochran on his retirement from the Southern College of Optometry and thank him for the example he has left for optometrists now and in the future. He has made a lasting, positive impact on hundreds of young students and continued to enhance and build a wonderful institution that I am very proud of, the Southern College of Optometry.

GUANTANAMO BAY

(Mr. MORAN of Virginia asked and was given permission to address the House for 1 minute.)

Mr. MORAN of Virginia. Mr. Speaker, I would like to address America's legal black hole, known as Guantanamo Bay.

The administration would like us to believe that the 15 prisoners that were very recently sent to Guantanamo are typical of the other 772 that have been sent there over the last 4½ years. Many of them are still languishing 4½ years later, even though only four of those 772 have ever been charged with a crime. In fact, only 8 percent are alleged to have ever acted as a ''fighter'' against the United States. Only 5 percent were actually captured by American forces. The vast majority were turned in for bounties by Pakistani or other northern alliance Afghan forces.

That is why, Mr. Speaker, we need to shine the light of the law on this situation, to ask the administration what are they going to do about people who are being illegally detained there without charges and with no plans as to how to fix this situation, which continues to undermine America's reputation and credibility throughout the world.

BUDGET GUARANTEED TO RAISE TAXES

(Mr. CAMPBELL of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CAMPBELL of California. Mr. Speaker, later today we will have a budget on this floor proposed by the Democratic majority which is guaranteed to raise taxes by about $200 billion. Now, that budget will also increase spending by about $200 billion over and above the budget that the President proposed.

Do we think that those two numbers are the same by coincidence? No. And it's not an increase in spending by $200 billion, it's an increase over the increase proposed by the President by $200 billion. This is not a tax increase that we need to have. This is a tax increase that they want to have because they want to spend a lot more money than we are already spending, and we are already spending too much.

PROVIDING FOR CONSIDERATION OF H.R. 1427, FEDERAL HOUSING FINANCE REFORM ACT OF 2007

Mr. WELCH of Vermont. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 404 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 404

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1427) to reform the regulation of certain housing-related Government-sponsored enterprises, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Financial Services. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill, modified by the amendment

printed in the report of the Committee on Rules accompanying this resolution. That amendment in the nature of a substitute shall be considered by title rather than by section. Each title shall be considered as read. All points of order against that amendment in the nature of a substitute are waived except those arising under clause 9 or 10 of rule XXI. Notwithstanding clause 11 of rule XVIII, no amendment to that amendment in the nature of a substitute shall be in order except those printed in the portion of the Congressional Record designated for that purpose in clause 8 of rule XVIII before the beginning of consideration of the bill and except pro forma amendments for the purpose of debate. Each amendment so printed may be offered only by the Member who caused it to be printed or his designee and shall be considered as read. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 2. During consideration in the House of H.R. 1427 pursuant to this resolution, notwithstanding the operation of the previous question, the Chair may postpone further consideration of the bill to such time as may be designated by the Speaker.

□ 1030

The SPEAKER pro tempore (Mr. POMEROY). The gentleman from Vermont (Mr. WELCH) is recognized for 1 hour.

Mr. WELCH of Vermont. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. SESSIONS). All time yielded during consideration of this rule is for debate only.

I yield myself such time as I may consume.

(Mr. WELCH of Vermont asked and was given permission to revise and extend his remarks.)

GENERAL LEAVE

Mr. WELCH of Vermont. Mr. Speaker, I also ask unanimous consent that all Members be given 5 legislative days in which to revise and extend their remarks on House Resolution 404.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. WELCH of Vermont. Mr. Speaker, as the Clerk just described, H. Res. 404 provides for consideration of H.R. 1427, the Federal Housing Finance Reform Act of 2007, under an open rule with a preprinting requirement. As of the date required for filing, 36 proposed amendments have been printed and met the preprinting requirement.

Mr. Speaker, affordable housing is absolutely critical as an issue to many Americans and certainly to folks in my State of Vermont, as well as yours. Along with food, health care and energy costs, affordable housing can make all the difference in economic survival, and we must begin to take seriously the challenge of affordable housing for renters and perspective homeowners.

In Vermont, just to give an example, affordable rental units, we have a shortage of about 20,891 rental units, short of what we need for working families in Vermont. They need in Vermont an annual income of $29,000 to afford a statewide average two-bedroom apartment.

The challenge of home ownership, in addition to renting, is daunting. While many low- and moderate-income households aspire to own their own home, limited supply, rising costs and other significant barriers can make that dream out of reach. Beginning in 2005, the new construction of 12,300 owner-occupied homes in Vermont was needed to meet the demand expected in 2010, not something that most Vermonters think will be possible.

The average purchase price for an average single-family home in Vermont in 2000 was $144,000, a lot less than it might be in the City of Washington, but beyond the reach of many Vermonters. But 5 years later, in 2005, the average price had increased a staggering 60 percent to $232,000, and very few families have seen their paychecks rise 60 percent in the past 5 years.

More than 1 million low-income households across New England, including the elderly, disabled and families, live in federally assisted housing. Most of these households have annual incomes of less than $8,000, well below the poverty line. They are at serious risk of homelessness. Even larger numbers of households are struggling to survive in the private housing market and are paying more than 50 percent of their income for rent.

In 1995, the housing community started facing dramatic changes in Federal housing policy, including funding cutbacks, program reforms and the devolution of responsibilities to State agencies who lack the funds to meet the need. Budget cuts aimed primarily at low income people presented an enormous challenge for communities across the country. Vermont and the whole of New England region, due to its high housing cost and large stock of subsidized housing, was one of the most heavily impacted regions in the country, but by no means unique. In the past few years, we have witnessed even more dramatic cuts to the important Federal housing programs, such as section 8, again imposing enormous burdens on our local communities.

The crisis of affordability is not just a well-crafted political phrase. It is a fundamental fact in Vermont and around the country, and it is a problem we must begin to address, as this bill, H.R. 1427, does.

What H.R. 1427 does is ensure that Fannie Mae and Freddie Mac operate in a safe and sound financial manner and they fulfill the responsibilities assigned under their charters given to them by Congress. These government-sponsored enterprises, or GSEs as they are called, support the mortgage market, and this bill establishes strong independent regulation and enhances GSE responsibilities under their mission.

The bill also creates the first new funding source for affordable housing since the HOME program was created in the early 1990s, and it does it without asking the taxpayers to pick up the tab. The $500 million affordable housing fund, which housing advocates in Vermont and around the country are very excited about, will be used for the badly needed construction and preservation of affordable housing.

Freddie Mac and Fannie Mae and several of the Federal Home Loan Banks have experienced considerable accounting, financial reporting and managerial problems in recent years. Unacceptable. Significant operational safety and soundness issues have arisen since 2001 that highlight the need to fortify the supervisory structure for all the regulated GSEs. This bill will do that.

The Federal National Mortgage Association, or Fannie Mae, and the Federal Home Loan Corporation, Freddie Mac, were chartered, as you know, by Congress in 1934 and 1970, respectively, in order to create a secondary market for mortgages and increase liquidity.

Through their charters, GSEs are granted special privileges not available to other private sector firms. For example, the Secretary of the Treasury is authorized to purchase up to $2.25 billion of the enterprises' obligations. Additionally, GSEs are exempt from State regulation, State income tax and SEC registration, substantial benefits conferred to meet a public need of providing affordable housing.

In January 2003, Freddie Mac announced that it needed to revise its financial statements, resulting in a special review by the Office of Federal Housing Enterprise Oversight, known as OFHEO.

In November of the same year, following the discovery of accounting irregularities and a reorganization of its management, Freddie Mac announced that it had overstated its earnings by $1 billion in 2001. An investigation into that is ongoing. The company said that the error, restating its earnings by that $1 billion, stemmed from failure to properly account for derivatives activity.

In December 2003, OFHEO reported that Freddie Mac disregarded accounting rules, internal controls and disclosure standards, again all completely unacceptable. Furthermore, the report found that the company had misstated its earnings overall by $5 billion between 2001 and 2003, and that the Board of Directors had failed to exercise its oversight responsibility. This has got to be corrected.

This bipartisan bill takes an important first step to provide effective oversight of GSEs in response to the lack of affordable housing that plagues so many of our communities.

Specifically, H.R. 1427 does the following:

Federal Housing Finance Agency: It establishes this as an independent regulator that oversees the safe and sound operation and mission function of the housing GSEs, Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks.

Director and Deputy Director: The FHFA will be led by a Director appointed by the President and confirmed by the Senate for a 5-year term.

A Federal Housing Enterprise Board is established.

Affordable housing goals: GSEs will be required to meet goals established by the FHFA for single and multi-family home purchasers in low income or very low income areas. The goals would be based on data using 3-year averages to determine the market and they would be set annually, but could be set for a multi-year period, allowing flexibility. It requires GSEs to serve underserved markets such as manufactured housing and affordable housing preservation in rural areas.

It also establishes an Affordable Housing Fund. The bill creates this with funds sent directly to the States to be administered as the States see fit. So we have a local control element here, enhancing the prospects that the money will be used for its intended purpose. The fund is intended to be a down payment toward the eventual creation of a much larger National Housing Trust. In fact, the bill provides that funds allocated for the Affordable Housing Fund may be transferred at a later date to the National Affordable Housing Trust Fund that hopefully we will enact that into law.

The bill also makes sure we take care of the victims of Hurricanes Katrina and Rita. The individuals living in the devastated gulf coast need the money immediately. Seventy-five percent of the Affordable Housing Fund available in the first year will go to Louisiana and 25 percent will go to Mississippi for affordable housing needs arising out of the hurricanes.

Also the bill is deficit neutral and directs that all of the spending is fully offset. Seventy-five percent of the contributions made by the GSEs would be used for the Affordable Housing fund. Twenty-five percent would be allocated to the Federal Government to keep the bill deficit neutral.

All of us applaud the work of Chairman FRANK for recommending an open rule to this bill and for the content of this bill, and providing the first new infusion of funds into an ever rising crisis about affordable housing.

Chairman FRANK came before the Rules Committee and testified we should allow consideration of all amendments, and we have done that, with the limitation of a preprinting requirement so as to allow us to manage and the Members to know what it is they will be debating on the floor. The rule was agreed to with the chairman, and I am pleased to bring forth such an open rule.

This is a bipartisan measure. It is supported by a diverse group of financial institutions, lenders, housing industry participants, housing groups and other financial service providers. The administration also supports the bill.

I urge all Members to support this open rule that allows the House to consider H.R. 1427.

Mr. Speaker, I reserve the balance of my time.

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the gentleman from Vermont, my friend, for not only his friendship, but also for our opportunity to engage today on this important bill.

Mr. Speaker, I rise in opposition to this unorthodox rule and to a number of provisions in the underlying legislation in its current form. While I do appreciate and support the committee's effort to provide for the safety and soundness of our Nation's housing finance system and broader financial system, this legislation has a number of fatal shortcomings that I hope will be corrected during the modified open amendment process provided for by this rule.

Unfortunately, I cannot support this rule, which breaks with the longstanding, bipartisan precedent of providing Members with the certainty of a specific date by which their amendments must be printed in the CONGRESSIONAL RECORD so that they may be included in the debate under this rule. By changing this longstanding, established practice and only providing Members with the requirement that their amendments must be printed at an undetermined, unannounced time before the consideration that this bill begins, Members from both sides of the aisle are left vulnerable to the scheduling whims of the majority, which is neither an open nor a transparent way to run the House of Representatives.

I also find it odd that a majority of the Rules Committee members would vote to provide for such an open deadline. Just this week, they demanded such precision in timing from Members and an overworked Legislative Counsel Office with a filing deadline for the Defense authorization bill. That is an unprecedented move. Amendments filed less than 12 hours after this deadline were simply turned away at the door.

□ 1045

Members were informed that their noncompliance with the arbitrary deadline meant that their voices would not even have the opportunity to be heard in the House.

I wish I could say that I was surprised by this decision made by the Democrat members of the Rules Committee. Unfortunately, the majority's selective enforcement of amendment deadlines and disregard for other longstanding House precedents has become the status quo in the Democrat Rules Committee. So much for all of those campaign promises to run the most honest, ethical and transparent House in history.

While this bill does provide for a stronger regulator with increased powers to ensure the safe and sound operations of the housing government sponsored enterprises, I must rise in strong opposition to this bill's worst flaw: A new housing fund mandate that would create a de facto tax on the middle-class homeowners to finance an expensive and ill-defined big government housing program.

In its budget score of the legislation, the Congressional Budget Office acknowledges that the new government-mandated assessments on the GSEs could very easily be passed on to their customers in the form of higher fees, meaning that this fund would unfairly target the most modest home prices to finance this unprecedented government-mandated redistribution of wealth from the middle class.

I believe it is bad public policy to tie the fate of families that need housing support to the success or failure of Fannie Mae or Freddie Mac's portfolios. Even worse because the affordable housing funds would come from loans that are less than $417,000, which in 12 metropolitan areas in the country is dangerously close to or below the median home price, this bill levies a new stealth tax on the most modest home buyers without even disclosing to them the costs associated with this new Federal mandate. Mr. Speaker, it is the same as a tax increase to these middle income home buyers.

To deal with this problem, I will be offering an amendment that provides useful information to home buyers about the real costs of this stealth tax. This amendment would require that the director of the Federal Housing Finance Agency determine what the cost per $1,000 finance would be to home buyers whose mortgages are purchased by the housing GSEs. This information would need to be disclosed to the home buyer at or before closing for these mortgages, who qualify for future GSE purchase, and any additional cost for mortgage originators created by this new disclosure regulation would be paid for by the housing fund so that the new disclosure requirement does not create a new, costly private sector mandate.

Mr. Speaker, if we are going to pass along a brand new, stealth $2.5 billion tax increase on the middle class to pay for their affordable housing, I think that Congress should at the very least be up front about the true cost of this fund with those who are being asked to foot the bill. My amendment simply provides for transparency for mortgage consumers about the true cost of this new government $2.5 billion mandate, and I would encourage all of my colleagues on both sides of the aisle to support it.

Mr. Speaker, I encourage all my colleagues to oppose this restrictive rule and the underlying legislation in its

current form, particularly this stealth tax contained in the affordable housing fund provision.

Mr. Speaker, I reserve the balance of my time.

Mr. WELCH of Vermont. Before yielding to my friend from Massachusetts, I just want to emphasize that every single Member of this House did have an opportunity to preprint an amendment, as was done by my friend from Texas.

In a recent rule, we had a specific deadline by which that had to be filed. There were complaints from our friends on the other side of the aisle about a specific deadline. In this case, we extended it so that depending on what the floor schedule was, there would be the maximum time available for folks to put their amendments in printed form, and now there are complaints about that process as well.

Mr. Speaker, I yield 7 minutes to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Mr. Speaker, first I ask the indulgence of the House for the fact that I am dressed a little less spiffily than is my norm, but I have a cast on my arm and this is all that would go over it.

Mr. Speaker, I have rarely heard anyone repudiate as much of his party's past as I just heard from the gentleman from Texas. First he said this is a restrictive rule. Why, because we said anyone who wanted to file an amendment could file an amendment. There would be no rejection of any amendments by the Rules Committee, and the deadline for that was the day before the bill was to come to the floor. Now we didn't know when that was. And, in fact, what happened was there was a possibility that there would have been an extra day. So the gentleman apparently objects to the possibility of an extra day.

I was also struck that he had two objections to deadlines. One was the fact that a rule had a deadline; and one was the fact that a rule didn't have a deadline. He objected to the fact that there was a deadline on the defense bill. He objects to the fact that there isn't a deadline on this bill.

Mr. Speaker, let's be very clear: The gentleman objects to the being in the minority. When you object to a deadline and the absence of a deadline, you have pretty much exhausted the logical possibilities of argument, and the gentleman has done that.

Then we talk about this being restrictive. This bill, a very similar bill, was reported out of the committee under Republican rule in the previous Congress. Nine amendments were allowed by the Rules Committee; 36 amendments are pending to this bill. So because we only had four times as many amendments to this bill as when they were in power, we have become restrictive.

The gentleman says we have upset a long-standing tradition. He is right. During their rule, the long-standing tradition was amendments they didn't like and were afraid might pass couldn't be offered. We have upset that.

Every amendment that anyone wanted to offer is before us. In fact, the last time this bill came before us, and apparently the gentleman voted for the rule, the bill came out of committee. In the Rules Committee, a self-executing rule was adopted that was very controversial limiting much of what could be done with housing funds, and the Rules Committee then refused to allow a vote on that self-executing rule.

So here are the comparisons as the gentleman from Texas laments: Our lack of openness. When he was in power, the Rules Committee took a bill that came out of the committee by a bipartisan majority, inserted its own amendment and insulated that amendment from being voted on. We instead said here is the bill, offer any amendment you want. This is pretty topsy-turvy. I understand the demands of partisanship, but shouldn't logic put some limits on what people would say just to make a partisan point?

The fact is this bill came out of committee in the last Congress with an amendment that the Rules Committee put in and wouldn't allow us to vote on, and we have done exactly the opposite. Then he talks about the housing funds, and once again, we have the zeal of a convert. He finds this housing fund a terrible thing, Mr. Speaker. It is a tax on people. It was in the bill that the Republicans brought to the floor. It was in the bill that received more than 300 votes, many of the ''no'' votes, my own included, were from Democrats who objected to the unfair restrictions on the fund that the self-executing rule imposed.

So when the Republicans were in power, this housing fund was not so bad. This housing fund came out of committee by a bipartisan majority, came to the floor, and was voted on in a final bill by over 300 Members. This same housing fund, exactly the same principle, it is financed a little differently, but with all of the same effects, when did it become so terrible? What turns a fund to build affordable housing for lower-income people from a thing to be proud of into a terrible tax? An election.

When the Republicans were in the majority, this was apparently a good thing. It was overwhelmingly passed. But now that the Democrats are in the majority, this same housing fund becomes something that is awful. It is a housing fund that is supported by the realtors, by the home builders, by everybody in the housing business because it does not have the effects the gentleman talks about.

Here is the inconsistency which lies at the root of many of my colleague's arguments. The purpose of this bill is to put some checks on Fannie Mae and Freddie Mac. People have said Fannie Mae and Freddie Mac get certain assistance from the Federal Government that allows them to borrow money more cheaply from the market, and too little of that goes to public benefit and too much goes to the stockholders.

So this bill, as did the last bill from the Republicans, headed by Chairman Oxley, and poor Chairman Oxley, he did Sarbanes-Oxley, he did this bill. I always thought well of Mike Oxley. I guess I have to defend him against his former colleagues who now are apparently ready to tear down everything the poor man did. Mike Oxley deserves better of you than for you to repudiate all of the good work that he did, and I speak out. I know you are not supposed to address people who are not here, Mr. Speaker, so let me say that I want Mike Oxley to know that there are many of us, and I think a few on his own side, too, who do respect his work on the housing fund and who respect his work on other things.

But what we said to Fannie Mae and Freddie Mac was we are going to have you make a contribution. You should not keep all of the money for yourself and for your shareholders. We are going to take some of it for affordable housing.

By the way, this is an affordable housing fund that a great majority of Republicans voted for 2 years ago. It became terrible because we won the election. Well, wisdom comes in various ways, and I suppose it came late to some of my colleagues over there, but better late than never by their standards.

But the fact is this: In this bill, there will be amendments proposed that would impose far greater restrictions on Fannie Mae and Freddie Mac than the housing fund. There is an amendment that I assume many of them are going to vote for, that would severely restrict what they could put in the portfolio. Now they make a lot of money off their portfolio, Fannie Mae and Freddie Mac, and that is part of the money that goes to help them keep down housing costs. An amendment will be offered that would severely restrict, that would say only low-income-type mortgages can go in the portfolio. That would have a far greater financial impact in reducing funds available to Fannie Mae and Freddie Mac than the housing fund. The problem is that the housing fund would help State governments and others build affordable housing, and apparently there is this ideological opposition to doing that.

By the way, where is this housing fund going to go in the first year, this terrible tax? It is going to go to Mississippi and Louisiana. It is going to go to a place where there was terrible devastation of affordable housing in Louisiana and Mississippi, 75 percent to Louisiana and 25 percent to Mississippi.

In future years, the money won't be spent until this House and the Senate and the President pass a subsequent bill deciding how to spend it. This bill sets it aside, but it leaves to a later bill the collective decision about how to spend it.

So we have a rule that allows 36 amendments. Last year they did nine. We have a rule where the Rules Committee does not add substance. Last year they did and wouldn't allow us to vote on it.

We do have one thing in common in the bill last Congress and this Congress: An affordable housing fund. The difference is that the affordable housing fund which my Republican friends took credit for 2 years ago has transmogrified into a terrible beast solely because the Democrats are now in power. That doesn't make any sense.

Mr. SESSIONS. Mr. Speaker, I want to notify my colleague from the Rules Committee that I have no additional speakers at this time. We had spoken about that before. But, in fact, as a result of the scheduling that has taken place this morning, none of my colleagues on my side are available to come down this morning.

Mr. Speaker, as is generally always understood in this House, the gentleman is generally correct, that the Rules Committee, in fact, did provide a good number of wonderful amendments that would be made in order.

The fact of the matter is that as part of this House majority and minority being able to understand what the Rules Committee is going to do, we were looking for some transparency and some consistency. I believe it is important for Members to be able to know when they can submit those amendments that they might want to have.

It is also true that the majority is the one that determines what this schedule would be. Members generally have no clue exactly when amendments are going to be due if you do not give them a deadline and if you simply say well, before the bill is called up.

The bottom line is we are simply asking that the Rules Committee would state very clearly when amendments would need to be placed for consideration, and that is what our point is.

The gentleman also makes other points about the GSEs and about this House voting on this money that would become available for affordable housing.

□ 1100

I recall that earlier this year this House provided for Katrina housing relief. We've done that, and yet that's now what this bill that is left over for, that was passed last year was for. And so now what we're doing is taking a bill that was passed last year through a huge number of votes in this House, did not pass the other body, was not signed into law, and yet earlier this year we provided for a housing fund for Katrina earlier.

Now we're asking for $2.5 billion increase on middle class homeowners. We're simply saying that we believe that there should be transparency. We believe that the processes by which this takes place should be more apparent to Members where they would have these opportunities to come down.

If the gentleman wants to support a $2.5 billion increase for middle class consumers, as he did last year by bringing the bill forward, as he's doing this year, then we will let the Members decide by voting on that. But I think there should be transparency to the people who will be footing or paying the bill as to why there's additional costs that may keep people out of the marketplace because of additional costs related to them by buying their new home.

Mr. Speaker, evidently at this time I have created an opportunity to continue dialogue, so I reserve the balance of my time.

Mr. WELCH of Vermont. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Well, I again would repeat that the gentleman said last year I supported this Housing trust fund. So did almost all the Republicans, but the basic point here is that he misstated the nature of the hurricane bill.

In the hurricane bill, and the gentlewoman from California who was its main author is here and will speak shortly, we did not provide any additional funds for the construction of affordable housing to replace what was lost. That was mostly with vouchers. We did have some project-based vouchers in the amount of a couple of thousand, but if the gentleman will go back to that bill, he will note frequently in the debate we alluded in that debate to this bill. That is, much of the rental housing in New Orleans was destroyed. The rental housing was destroyed in much of the gulf.

This was always a two-bill approach, and the gentleman is simply wrong to state that in the hurricane bill we provided funds for additional affordable housing. We stated at the time, we set some rules about vouchers. We talked about public housing, but we were always clear it would be this bill that would provide the funds.

So the point that we already did this could not be more incorrect.

Mr. WELCH of Vermont. Mr. Speaker, I yield 5 minutes to the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Speaker, I rise to support the rule on this very important piece of legislation and to commend Chairman FRANK and the members of the Financial Services Committee for the wonderful work that they have done in getting this important reform measure back to the floor of this House.

As it was said earlier, and I will simply repeat, that this is a good rule. This is a rule that has opened up opportunities for those who have amendments to get those amendments before the floor. As Mr. FRANK said, there are more amendments that are being allowed on this bill today than were allowed on the bill that came before the House last year on the reform of these GSEs.

This is an important piece of legislation where a lot of work has been done to get a consensus about how to reform the GSEs and to open up more opportunities for those who need to be supported on the secondary market for mortgages.

This is important because we have had a lot of fights in the Congress of the United States about the GSEs. There were those who for many, many months simply defended the GSEs. We were frightened that we would lose this important resource, and we were suspicious of accusations that were being made about the way that they managed the GSEs, and we did not go along with some of the changes that were being recommended some time ago.

But we have all worked very hard and we have compromised. Not only have the defenders of the GSEs decided that it was time for strong regulation and that OFHEO had indeed not done the job and given the oversight that they should have given, we also looked very closely at what was going on with the FM Watch organization that had been created. And while we will agree that there were those in the financial services community who thought that the GSEs were creeping into the retail market, and we still believe that some of what was done was all about potential competition, the one thing that we have agreed on is this.

The GSEs are extremely important. They were organized to provide these opportunities to support them on the secondary market, and we cannot lose it, and there were some management problems. There were some accounting problems. Many careers have been destroyed in all of the fighting that has gone on. OFHEO has been dismantled. We have come up with good regulation and oversight, and it is time for us to move forward and not to simply oppose this bill and this rule because we think one has to be the loyal opposition, opposing whatever comes to the floor.

It's time to recognize that if we want to do something about creating and supporting housing opportunities, if we want to deal with what is happening in the subprime market, if we understand what we're going through in America today, with all of these foreclosures, with people being very frightened about whether or not they are going to be able to hold on to their home, if we understand all of this, we will move very quickly, not only to support the rule but to support the bill and a very important aspect of this bill, and that is the housing trust fund.

How can you be against helping Americans who just want a little piece of the American dream, to be able to own a home? We need to supply more spots. We need more housing. We need to build affordable housing. We're not taking any money away from our general fund. We're not taking any of the revenue that is being counted on to be used for other things in this huge budget. This is new money. This is money that's created from the after-profit taxes of these GSEs. It does not threaten our budget at all.

How can you be against building new affordable homes for people who need it all over this country, not just in the cities but in the towns and in the suburbs and certainly in the rural communities? We have people who are living in homes that are not fit for humans to live in. We have people still in some places in the deep South that don't have toilets and running water. We have folks who are living in some of the housing and trailers that are falling apart. We need the housing trust fund. We need this reform. We need this rule, and I would ask support for it all.

Mr. WELCH of Vermont. Mr. Speaker, I yield 30 seconds to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Mr. Speaker, on October 26, 2005, the House passed the GSE bill that came out of the committee chaired by Mr. Oxley that had a housing trust fund virtually identical to this one. This one is financed a little differently at the request of the Treasury Department, but it's essentially the same thing.

The vote was 331–90. Republicans voted in favor of this bill containing this housing tax 209–15, and among those who joined in the majority, the gentleman from Texas (Mr. SESSIONS). So I appreciate his concern for this. It did not appear to be evident in October of 2005 when he joined 208 of his Republican colleagues in voting for essentially this same fund.

Mr. WELCH of Vermont. Mr. Speaker, I'd inquire of the gentleman from Texas if he has any remaining speakers at this point?

Mr. SESSIONS. I appreciate the gentleman asking. At this time I have no additional speakers.

Mr. WELCH of Vermont. Mr. Speaker, I'm the last speaker on this side. So I will reserve my time until the gentleman has closed for his side and has yielded back his time.

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume.

The gentleman from Massachusetts makes important points. I think that the gentleman should also hear that we believe there should be transparency to make sure that these middle class homeowners who would be buying and paying for this $2.5 billion increase, that they would understand why that additional cost is being placed on them, and these are the transparency things that we think that good government can be about.

The process also has developed itself to where we began talking about the Rules Committee once again, and Mr. Speaker, two nights ago I was provided with a summary by the majority party of a breakdown of the rules, what we have done when I was in the majority in the Rules Committee versus the Democrats now being the majority party.

And the fact of the matter is through May 15, which is what this is talking about, the Democrats have had 13 closed rules. The Republicans had six closed rules over the same period of time. Six closed rules for Republicans; 13 closed rules for Democrats. Eight open rules for the Democrats, which they call open rules but that had a preprinting requirement, so they really should be modified open rules, but the bottom line is a number of those have been over suspensions that Republicans did not even place a rule on. We just brought them to the floor of the House of Representatives and let them see what that outcome would be.

Mr. Speaker, I would insert this into the RECORD at this point.

110TH RULE BREAKDOWN THROUGH MAY 15, 2007

43 Total rules:

8 open rules (7 with a preprinting requirement).
20 structured rules.
Thirteen closed rules.
1 conference report rule.
1 procedural rule.
60—Republican/minority amendments in order.

109TH RULE BREAKDOWN THROUGH MAY 15, 2005

29 Total rules:

2 open rules (1 appropriations bill).
15 structured rules.
Six closed rules.
2 conference report rules.
4 procedural rules.
51—Democratic/minority amendments in order.

Mr. Speaker, the Republican Party, my party, is very aware of the dramatic needs of housing in this country, the needs that people have, families who have children, elderly people, disabled people, who do need more affordable and better housing, and that's why you have seen in our past, as was undisputed on the floor today, about the number of people who have voted for providing these funds that would be available.

We do believe that there should be transparency. We believe that the people, the consumers, who will be paying this additional $2.5 billion should be told why, what it's for, just as anyone who closes on a house should understand if there's going to be a FedEx package that would be delivered or a title fee or some fee that would be associated even with a notary public, that that should be included as part of the closing cost of a house to make sure that the consumer knows why and what they are paying for.

So I would be offering an amendment that was made in order by the Rules Committee as part of our discussion about how to improve this opportunity to make transparency available to all the consumers.

Mr. Speaker, I yield back the balance of my time.

Mr. WELCH of Vermont. Mr. Speaker, I yield myself such time as I may consume.

H.R. 1427, the Federal Housing Finance Reform Act of 2007 ensures that Fannie Mae and Freddie Mac, the GSEs that support the mortgage markets, operate in a safe and sound manner and fulfill the missions assigned to them under their charters.

The bill does this through the establishment of a strong, independent regulator and through the enhancements to the GSEs mission responsibilities. The bill also creates the first new funding source for affordable housing. Since the HOME program was created in the early 1990s, it's been almost 20 years since we have put any infusion of money from a new source into a growing crisis in housing. The $500 million Affordable Housing Fund, which housing advocates in Vermont, in your State and States all across this country are very excited about, will be used by them for badly needed construction and the preservation of affordable housing.

Very similar legislation, as has been discussed between my colleagues from Texas and from Massachusetts, passed this House on a strong 331–90 vote last Congress, and this bill, H.R. 1427, was approved in the Financial Services Committee by a bipartisan vote of 45–19.

I urge a ''yes'' vote on the rule and on the previous question.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SESSIONS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question are postponed.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Ms. Wanda Evans, one of his secretaries.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2008

The SPEAKER pro tempore. Pursuant to House Resolution 403 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the further consideration of the bill, H.R. 1585.

□ 1116

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H.R. 1585) to authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2008, and for other purposes, with Mr. PASTOR (Acting Chairman) in the chair.

The Clerk read the title of the bill.

The Acting CHAIRMAN. When the Committee of the Whole rose on Wednesday, May 16, 2007, amendment No. 1 printed in House Report 110–151

by the gentleman from Missouri (Mr. SKELTON) had been disposed of.

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments on which further proceedings were postponed, in the following order:

Amendment No. 30 by Mr. TIERNEY of Massachusetts.

Amendment No. 11 by Mr. FRANKS of Arizona.

Amendment No. 41 by Mr. KING of Iowa.

Amendment No. 15 by Mr. MORAN of Virginia.

Amendment No. 32 by Mr. HOLT of New Jersey.

The Chair will reduce to 2 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 30 OFFERED BY MR. TIERNEY

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Massachusetts (Mr. TIERNEY) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The text of the amendment is as follows:

Amendment No. 30 offered by Mr. TIERNEY:

Title II, subtitle C, add at the end the following:

SEC. 2___. MISSILE DEFENSE FUNDING REDUCTIONS AND PROGRAM TERMINATIONS.

The amount in section 201(4) for research, development, test, and evaluation, Defense-wide, is hereby reduced by $1,084,400,000, to be derived from amounts for the Missile Defense Agency as follows:

(1) $298,800,000 from the termination of the Airborne Laser program.

(2) $177,500,000 from the termination of the Kinetic Energy Interceptor (KEI) program.

(3) $229,100,000 from the termination of the Multiple KillVehicle (MKV) program.

(4) $170,000,000 from the termination of the Third Interceptor Field at Ft. Greeley, Alaska.

(5) $150,000,000 from the termination of the Third Ground-Based Midcourse Defense site in Europe.

(6) $59,000,000 from the Space Tracking and Surveillance System (STSS) Block 2008 work and ''follow on'' constellation.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 127, noes 299, not voting 11, as follows:

[Roll No. 367]

AYES—127

Ackerman
Allen
Baldwin
Becerra
Berman
Bishop (NY)
Blumenauer
Boswell
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castle
Christensen
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Costello
Courtney
Cummings
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dingell
Doggett
Doyle
Duncan
Ellison
Eshoo
Farr
Filner
Frank (MA)
Gonzalez
Green, Al
Grijalva
Gutierrez
Hall (NY)
Hastings (FL)
Hinchey
Hodes
Holt
Honda
Hooley
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Kaptur
Kildee
Kilpatrick
Kind
Kucinich
Larson (CT)
Lee
Lewis (GA)
Loebsack
Lofgren, Zoe
Lowey
Lynch
Maloney (NY)
Markey
Matheson
McCollum (MN)
McDermott
McGovern
McNerney
McNulty
Meehan
Michaud
Miller, George
Moore (WI)
Nadler
Napolitano
Neal (MA)
Norton
Oberstar
Obey
Olver
Pallone
Pascrell
Paul
Payne
Price (NC)
Rahall
Roybal-Allard
Rush
Sánchez, Linda T.
Sarbanes
Schakowsky
Schiff
Scott (VA)
Serrano
Sherman
Shuler
Slaughter
Solis
Stark
Stupak
Sutton
Thompson (MS)
Tierney
Udall (NM)
Velázquez
Visclosky
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NOES—299

Abercrombie
Aderholt
Akin
Alexander
Altmire
Andrews
Arcuri
Baca
Bachmann
Bachus
Baker
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Bean
Berkley
Berry
Biggert
Bilbray
Bilirakis
Bishop (GA)
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Bordallo
Boren
Boucher
Boustany
Boyd (FL)
Boyda (KS)
Brady (PA)
Brady (TX)
Braley (IA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castor
Chabot
Chandler
Coble
Cole (OK)
Conaway
Cooper
Costa
Cramer
Crenshaw
Crowley
Cuellar
Culberson
Davis (AL)
Davis (CA)
Davis (KY)
Davis, David
Davis, Lincoln
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Donnelly
Doolittle
Drake
Dreier
Edwards
Ehlers
Ellsworth
Emanuel
Emerson
English (PA)
Etheridge
Everett
Fallin
Fattah
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fortuño
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Giffords
Gilchrest
Gillibrand
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Gordon
Granger
Graves
Green, Gene
Hall (TX)
Hare
Harman
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Herseth Sandlin
Higgins
Hill
Hinojosa
Hirono
Hobson
Hoekstra
Holden
Hoyer
Hulshof
Hunter
Inglis (SC)
Issa
Jindal
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jordan
Kagen
Kanjorski
Keller
Kennedy
King (IA)
King (NY)
Kingston
Kirk
Klein (FL)
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Lampson
Langevin
Lantos
Larsen (WA)
Latham
LaTourette
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Mahoney (FL)
Manzullo
Marchant
Marshall
Matsui
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McIntyre
McKeon
Meek (FL)
Meeks (NY)
Melancon
Mica
Miller (MI)
Miller (NC)
Miller, Gary
Mitchell
Mollohan
Moore (KS)
Moran (KS)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Musgrave
Myrick
Neugebauer
Nunes
Ortiz
Pastor
Pearce
Pence
Perlmutter
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pomeroy
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Rangel
Regula
Rehberg
Reichert
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Ross
Rothman
Royce
Ruppersberger
Ryan (OH)
Ryan (WI)
Salazar
Sali
Sanchez, Loretta
Saxton
Schmidt
Schwartz
Scott (GA)
Sensenbrenner
Sessions
Sestak
Shadegg
Shea-Porter
Shimkus
Shuster
Simpson
Sires
Skelton
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Space
Spratt
Stearns
Sullivan
Tancredo
Tanner
Tauscher
Taylor
Terry
Thompson (CA)
Thornberry
Tiahrt
Tiberi
Towns
Turner
Udall (CO)
Upton
Van Hollen
Walberg
Walden (OR)
Walsh (NY)
Walz (MN)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—11

Baird
Cubin
Davis, Jo Ann
Engel
Faleomavaega
Jones (OH)
McCarthy (NY)
McMorris Rodgers
Miller (FL)
Shays
Wexler

□ 1143

Mr. CROWLEY, Ms. MATSUI, Ms. SHEA-PORTER and Messrs. MILLER of North Carolina, KENNEDY, CONAWAY, HARE and DANIEL E. LUNGREN of California changed their vote from ''aye'' to ''no.''

Ms. WATSON, Messrs. DAVIS of Illinois, GONZALEZ and GRIJALVA, Mrs. MALONEY of New York, Ms. LINDA T. SÁNCHEZ of California and Mr. AL GREEN of Texas changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated against:

Mrs. McCARTHY of New York. Mr. Chairman, earlier today I was questioning administration witnesses on school safety at a Homeland Security Committee hearing. I missed one vote. I would like the RECORD to reflect how I would have voted had I been able to get to the floor in time.

Rollcall No. 367 on the Tierney amendment to HR 1585, I would have voted ''no.''

AMENDMENT NO. 11 OFFERED BY MR. FRANKS OF ARIZONA

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Arizona (Mr. FRANKS) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The text of the amendment is as follows:

Amendment No. 11 offered by Mr. FRANKS of Arizona:

Title II, subtitle C, add at the end the following:

SEC. 2___. INCREASED FUNDS FOR BALLISTIC MISSILE DEFENSE.

(a) INCREASE.—The amount in section 201(4), research, development, test, and evaluation, Defense-wide, is hereby increased by $764,000,000, to be available for ballistic missile defense.

(b) OFFSET.—The amounts in title I and title II are hereby reduced by an aggregate of $764,000,000, to be derived from amounts other than amounts for ballistic missile defense, as determined by the Secretary of Defense.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIRMAN. This will be a 2-minute vote.

The vote was taken by electronic device, and there were—ayes 199, noes 226, not voting 12, as follows:

[Roll No. 368]

AYES—199

Aderholt	Fossella	Moran (KS)
Akin	Foxx	Murphy, Tim
Alexander	Franks (AZ)	Musgrave
Altmire	Frelinghuysen	Myrick
Bachmann	Gallegly	Neugebauer
Bachus	Garrett (NJ)	Nunes
Baker	Gerlach	Pearce
Barrett (SC)	Gillmor	Pence
Bartlett (MD)	Gingrey	Peterson (PA)
Barton (TX)	Gohmert	Pickering
Bean	Goode	Pitts
Biggert	Goodlatte	Platts
Bilbray	Granger	Poe
Bilirakis	Graves	Porter
Bishop (UT)	Hall (TX)	Price (GA)
Blackburn	Hastert	Pryce (OH)
Blunt	Hastings (WA)	Putnam
Boehner	Hayes	Radanovich
Bonner	Heller	Ramstad
Bono	Hensarling	Regula
Boozman	Herger	Rehberg
Boustany	Herseth Sandlin	Reichert
Brady (TX)	Hill	Renzi
Brown (SC)	Hoekstra	Reynolds
Brown-Waite, Ginny	Hulshof	Rogers (AL)
Buchanan	Hunter	Rogers (KY)
Burgess	Inglis (SC)	Rogers (MI)
Burton (IN)	Issa	Rohrabacher
Buyer	Jindal	Ros-Lehtinen
Calvert	Johnson (IL)	Roskam
Camp (MI)	Johnson, Sam	Royce
Campbell (CA)	Jordan	Ruppersberger
Cannon	Keller	Ryan (WI)
Cantor	King (IA)	Sali
Capito	King (NY)	Saxton
Carter	Kingston	Schmidt
Chabot	Kirk	Sessions
Coble	Kline (MN)	Shadegg
Cole (OK)	Knollenberg	Shimkus
Conaway	Kuhl (NY)	Shuster
Cramer	LaHood	Simpson
Crenshaw	Lamborn	Smith (NE)
Cuellar	Latham	Smith (NJ)
Culberson	LaTourette	Smith (TX)
Davis (AL)	Lewis (CA)	Souder
Davis (KY)	Lewis (KY)	Space
Davis, David	Linder	Stearns
Davis, Tom	LoBiondo	Tancredo
Deal (GA)	Lucas	Terry
Dent	Lungren, Daniel E.	Thornberry
Diaz-Balart, L.	Mack	Tiahrt
Diaz-Balart, M.	Mahoney (FL)	Tiberi
Donnelly	Manzullo	Turner
Doolittle	Marchant	Upton
Drake	Marshall	Walberg
Dreier	McCarthy (CA)	Walden (OR)
Emerson	McCaul (TX)	Walsh (NY)
English (PA)	McCotter	Wamp
Everett	McCrery	Weldon (FL)
Fallin	McHenry	Weller
Feeney	McHugh	Westmoreland
Ferguson	McKeon	Whitfield
Flake	Melancon	Wicker
Forbes	Mica	Wilson (NM)
Fortenberry	Miller (MI)	Wilson (SC)
Fortuño	Miller, Gary	Wolf
		Young (FL)

NOES—226

Abercrombie	Gutierrez	Obey
Ackerman	Hall (NY)	Olver
Allen	Hare	Ortiz
Andrews	Harman	Pallone
Arcuri	Hastings (FL)	Pascrell
Baca	Higgins	Pastor
Baldwin	Hinchey	Paul
Barrow	Hinojosa	Payne
Becerra	Hirono	Perlmutter
Berkley	Hobson	Peterson (MN)
Berry	Hodes	Petri
Bishop (GA)	Holden	Pomeroy
Bishop (NY)	Holt	Price (NC)
Blumenauer	Honda	Rahall
Bordallo	Hooley	Rangel
Boren	Hoyer	Reyes
Boswell	Inslee	Rodriguez
Boucher	Israel	Ross
Boyd (FL)	Jackson (IL)	Rothman
Boyda (KS)	Jackson-Lee (TX)	Roybal-Allard
Brady (PA)	Jefferson	Rush
Braley (IA)	Johnson (GA)	Ryan (OH)
Brown, Corrine	Johnson, E. B.	Salazar
Butterfield	Jones (NC)	Sánchez, Linda T.
Capps	Kagen	Sanchez, Loretta
Capuano	Kanjorski	Sarbanes
Cardoza	Kaptur	Schakowsky
Carnahan	Kennedy	Schiff
Carney	Kildee	Schwartz
Carson	Kilpatrick	Scott (GA)
Castle	Kind	Scott (VA)
Castor	Klein (FL)	Sensenbrenner
Chandler	Kucinich	Serrano
Christensen	Lampson	Sestak
Clarke	Langevin	Shea-Porter
Clay	Lantos	Sherman
Cleaver	Larsen (WA)	Shuler
Clyburn	Larson (CT)	Sires
Cohen	Lee	Skelton
Conyers	Levin	Slaughter
Cooper	Lewis (GA)	Smith (WA)
Costa	Lipinski	Snyder
Costello	Loebsack	Solis
Courtney	Lofgren, Zoe	Spratt
Crowley	Lowey	Stark
Cummings	Lynch	Stupak
Davis (CA)	Maloney (NY)	Sutton
Davis (IL)	Markey	Tanner
Davis, Lincoln	Matheson	Tauscher
DeFazio	Matsui	Taylor
DeGette	McCarthy (NY)	Thompson (CA)
Delahunt	McCollum (MN)	Thompson (MS)
DeLauro	McDermott	Tierney
Dicks	McGovern	Towns
Dingell	McIntyre	Udall (CO)
Doggett	McNerney	Udall (NM)
Doyle	McNulty	Van Hollen
Duncan	Meehan	Velázquez
Edwards	Meek (FL)	Visclosky
Ehlers	Meeks (NY)	Walz (MN)
Ellison	Michaud	Wasserman Schultz
Ellsworth	Miller (NC)	Waters
Emanuel	Miller, George	Watson
Eshoo	Mitchell	Watt
Etheridge	Mollohan	Waxman
Farr	Moore (KS)	Weiner
Fattah	Moore (WI)	Welch (VT)
Filner	Moran (VA)	Wilson (OH)
Frank (MA)	Murphy (CT)	Woolsey
Giffords	Murphy, Patrick	Wu
Gilchrest	Murtha	Wynn
Gillibrand	Nadler	Yarmuth
Gonzalez	Napolitano	Young (AK)
Gordon	Neal (MA)	
Green, Al	Norton	
Green, Gene	Oberstar	
Grijalva		

NOT VOTING—12

Baird	Faleomavaega	Shays
Berman	Jones (OH)	Sullivan
Cubin	McMorris Rodgers	Wexler
Davis, Jo Ann	Miller (FL)	
Engel		

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN (during the vote). Members are advised that 1 minute remains in this vote.

□ 1149

Mr. COSTELLO changed his vote from ''aye'' to ''no.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 41 OFFERED BY MR. KING OF IOWA

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Iowa (Mr. KING) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The text of the amendment is as follows:

Amendment No. 41 offered by Mr. KING of Iowa:

In section 1222 of the bill, strike ''Section 1519'' and insert ''(a) CONTINUATION OF PROHIBITION.—Section 1519''.

In section 1222 of the bill, add at the end the following new subsection:

(b) RULE OF CONSTRUCTION.—Congress recognizes that the United States has not established any permanent military installations inside or outside the United States. Nothing in this Act or any other provision of law shall be construed to prevent the Government of the United States from establishing temporary military installations or bases by entering into a basing rights agreement between the United States and Iraq.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIRMAN. This will be a 2-minute vote.

The vote was taken by electronic device, and there were—ayes 201, noes 219, not voting 17, as follows:

[Roll No. 369]

AYES—201

Aderholt	Davis, David	Jindal
Akin	Davis, Lincoln	Johnson (IL)
Alexander	Davis, Tom	Johnson, Sam
Altmire	Deal (GA)	Jordan
Bachmann	Dent	King (IA)
Bachus	Diaz-Balart, L.	King (NY)
Baker	Diaz-Balart, M.	Kingston
Barrett (SC)	Donnelly	Kirk
Barrow	Doolittle	Kline (MN)
Bartlett (MD)	Drake	Knollenberg
Barton (TX)	Dreier	Kuhl (NY)
Bilbray	Ehlers	LaHood
Bilirakis	Emerson	Lamborn
Bishop (UT)	Everett	Latham
Blackburn	Fallin	LaTourette
Blunt	Feeney	Lewis (CA)
Boehner	Ferguson	Lewis (KY)
Bonner	Flake	Linder
Bono	Forbes	LoBiondo
Boozman	Fortenberry	Lucas
Boren	Fortuño	Lungren, Daniel E.
Boucher	Fossella	Mack
Boustany	Foxx	Mahoney (FL)
Brady (TX)	Franks (AZ)	Manzullo
Brown (SC)	Frelinghuysen	Marchant
Brown-Waite, Ginny	Gallegly	Marshall
Buchanan	Garrett (NJ)	Matheson
Burgess	Gerlach	McCarthy (CA)
Burton (IN)	Gilchrest	McCaul (TX)
Buyer	Gillmor	McCotter
Calvert	Gingrey	McCrery
Camp (MI)	Gohmert	McHenry
Campbell (CA)	Goode	McHugh
Cannon	Goodlatte	McKeon
Capito	Granger	Melancon
Carney	Graves	Mica
Carter	Hall (TX)	Miller (MI)
Chabot	Hastert	Miller, Gary
Chandler	Hastings (WA)	Moran (KS)
Coble	Hayes	Murphy, Tim
Cole (OK)	Heller	Musgrave
Conaway	Hensarling	Myrick
Cramer	Herger	Neugebauer
Crenshaw	Hobson	Nunes
Cuellar	Hoekstra	Pearce
Culberson	Hunter	Pence
Davis (KY)	Inglis (SC)	Peterson (PA)
	Issa	

Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ruppersberger
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOES—219

Abercrombie
Ackerman
Allen
Andrews
Arcuri
Baca
Baldwin
Bean
Becerra
Berkley
Berman
Berry
Biggert
Bishop (GA)
Bishop (NY)
Blumenauer
Bordallo
Boswell
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carson
Castle
Castor
Christensen
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Crowley
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Doyle
Duncan
Edwards
Ellison
Ellsworth
Emanuel
English (PA)
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Giffords
Gillibrand
Gonzalez
Gordon
Green, Al
Grijalva
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Hulshof
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Jones (NC)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lynch
Maloney (NY)
Markey
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Norton
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Paul
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Ramstad
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NOT VOTING—17

Baird
Cantor
Cubin
Davis, Jo Ann
Engel
Faleomavaega
Green, Gene
Gutierrez
Jones (OH)
Keller
Lowey
McMorris Rodgers
Miller (FL)
Rangel
Rogers (MI)
Schakowsky
Shays

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN (during the vote). Members are advised that 1 minute remains in this vote.

□ 1152

So the amendment was rejected.

The result of the vote was announced as above recorded. Stated against:

Mr. GENE GREEN of Texas. Mr. Chairman, on rollcall No. 369, the King amendment, had I been present, I would have voted "no."

Ms. SCHAKOWSKY. Mr. Chairman, on rollcall No. 369, had I been present, I would have voted "no."

AMENDMENT NO. 15 OFFERED BY MR. MORAN OF VIRGINIA

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Virginia (Mr. MORAN) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The text of the amendment is as follows:

Amendment No. 15 offered by Mr. MORAN of Virginia:

At the end of subtitle E of title X, insert the following new section:

SEC. 1055. A REPORT ON TRANSFERRING INDIVIDUALS DETAINED AT NAVAL STATION, GUANTANAMO BAY, CUBA.

(a) REPORT REQUIRED.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report that contains a plan for the transfer of each individual presently detained at Naval Station, Guantanamo Bay, Cuba, under the control of the Joint Task Force Guantanamo, who is or has ever been classified as an ''enemy combatant'' (referred to in this section as a ''detainee'').

(b) CONTENTS OF REPORT.—The report required under subsection (a) shall include each of the following:

(1) An identification of the number of detainees who, as of December 31, 2007, the Department estimates—

(A) will have been charged with one or more crimes and may, therefore, be tried before a military commission;

(B) will be subject of an order calling for the release or transfer of the detainee from the Guantanamo Bay facility; or

(C) will not have been charged with any crimes and will not be subject to an order calling for the release or transfer of the detainee from the Guantanamo Bay facility, but whom the Department wishes to continue to detain.

(2) A description of the actions required to be undertaken, by the Secretary of Defense, possibly the heads of other Federal agencies, and Congress, to ensure that detainees who are subject to an order calling for their release or transfer from the Guantanamo Bay facility have, in fact, been released.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIRMAN. This will be a 2-minute vote.

The vote was taken by electronic device, and there were—ayes 220, noes 208, not voting 9, as follows:

[Roll No. 370]

AYES—220

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baldwin
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Bordallo
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carson
Castor
Christensen
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Giffords
Gilchrest
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Harman
Hastings (FL)
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Kucinich
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Norton
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Paul
Payne
Perlmutter
Peterson (MN)
Petri
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stupak
Sutton
Tauscher
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NOES—208

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boren
Boustany
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito

Carney	Hunter	Porter
Carter	Inglis (SC)	Price (GA)
Castle	Issa	Pryce (OH)
Chabot	Jindal	Putnam
Chandler	Johnson (IL)	Radanovich
Coble	Johnson, Sam	Ramstad
Cole (OK)	Jones (NC)	Regula
Conaway	Jordan	Rehberg
Cramer	Keller	Reichert
Crenshaw	King (IA)	Renzi
Culberson	King (NY)	Reynolds
Davis (KY)	Kingston	Rogers (AL)
Davis, David	Kirk	Rogers (KY)
Davis, Lincoln	Klein (FL)	Rogers (MI)
Deal (GA)	Kline (MN)	Rohrabacher
Dent	Knollenberg	Ros-Lehtinen
Diaz-Balart, L.	Kuhl (NY)	Roskam
Diaz-Balart, M.	LaHood	Royce
Donnelly	Lamborn	Ryan (WI)
Doolittle	Lampson	Sali
Drake	Latham	Saxton
Dreier	LaTourette	Schmidt
Duncan	Lewis (CA)	Sensenbrenner
Ehlers	Lewis (KY)	Sessions
Emerson	Linder	Shadegg
English (PA)	LoBiondo	Shimkus
Everett	Lucas	Shuster
Fallin	Lungren, Daniel E.	Simpson
Feeney	Mack	Smith (NE)
Ferguson	Manzullo	Smith (NJ)
Flake	Marchant	Smith (TX)
Forbes	Marshall	Souder
Fortenberry	Matheson	Space
Fortuño	McCarthy (CA)	Stearns
Fossella	McCaul (TX)	Sullivan
Foxx	McCotter	Tancredo
Franks (AZ)	McCrery	Tanner
Frelinghuysen	McHenry	Taylor
Gallegly	McHugh	Terry
Garrett (NJ)	McKeon	Thornberry
Gerlach	Melancon	Tiahrt
Gillmor	Mica	Tiberi
Gingrey	Miller (MI)	Turner
Gohmert	Miller, Gary	Upton
Goode	Moran (KS)	Walberg
Goodlatte	Murphy, Tim	Walden (OR)
Granger	Musgrave	Walsh (NY)
Graves	Myrick	Wamp
Hall (TX)	Neugebauer	Weldon (FL)
Hastert	Nunes	Weller
Hastings (WA)	Pearce	Westmoreland
Hayes	Pence	Whitfield
Heller	Peterson (PA)	Wicker
Hensarling	Pickering	Wilson (NM)
Herger	Pitts	Wilson (SC)
Hobson	Platts	Wolf
Hoekstra	Poe	Young (AK)
Hulshof		Young (FL)

NOT VOTING—9

Baird	Faleomavaega	Miller (FL)
Cubin	Jones (OH)	Shays
Davis, Jo Ann	McMorris Rodgers	
Engel		

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN (during the vote). Members are advised that 1 minute remains in this vote.

□ 1157

Mr. RYAN of Wisconsin and Mr. FLAKE changed their vote from ''aye'' to ''no.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT NO. 32 OFFERED BY MR. HOLT

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from New Jersey (Mr. HOLT) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The text of the amendment is as follows:

AMENDMENT NO. 32 OFFERED BY MR. HOLT:

At the end of subtitle E of title X, add the following new section:

SEC. 1055. REQUIREMENT FOR VIDEOTAPING RECORDINGS OF STRATEGIC INTERROGATIONS AND OTHER PERTINENT INTERACTIONS AMONG DETAINEES OR PRISONERS IN THE CUSTODY OF OR UNDER THE EFFECTIVE CONTROL OF THE UNITED STATES AND MEMBERS OF THE ARMED FORCES, INTELLIGENCE OPERATIVES OF THE UNITED STATES, AND CONTRACTORS OF THE UNITED STATES.

(a) IN GENERAL.—In accordance with the Geneva Conventions of 1949, the International Covenant on Civil and Political Rights, the Convention Against Torture and Other Cruel, Inhuman, or Degrading Treatment or Punishment, and prohibitions against any cruel, unusual, and inhuman treatment or punishment under the Fifth, Eighth, and Fourteenth Amendments to the Constitution of the United States, the President shall take such actions as are necessary to ensure that any strategic interrogation or other pertinent interaction between an individual who is a detainee or prisoner in the custody or under the effective control of the Armed Forces pursuant to a strategic interrogation, or other pertinent interaction, for the purpose of gathering intelligence and a member of the Armed Forces, an intelligence operative of the United States, or a contractor of the United States, is videotaped.

(b) COMMENCEMENT OF REQUIREMENT.—The videotaping requirement under subsection (a) shall be applicable to any strategic interrogation of an individual that takes place on or after the earlier of—

(1) the day on which the individual is confined in a facility owned, operated or controlled, in whole or in part, by the United States, or any of its representatives, agencies, or agents; or

(2) 7 days after the day on which the individual is taken into custody by the United States or any of its representatives, agencies, or agents.

(c) CLASSIFICATION OF INFORMATION.—The President shall provide for the appropriate classification to protect United States national security and the privacy of detainees or prisoners held by the United States, of video tapes referred to in subsection (a). Videotapes shall be made available, under seal if appropriate, to both prosecution and defense to the extent they are material to any military or civilian criminal proceeding.

(d) STRATEGIC INTERROGATION DEFINED.—For purposes of this section, the term ''strategic interrogation'' means an interrogation of a detainee or prisoner at—

(1) a corps or theater-level detention facility, as defined in the Army Field Manual on Human Intelligence Collector Operations (FM 2-22.3, September 2006); or

(2) a detention facility outside of the area of operations (AOR) where the detainee or prisoner was initially captured, including—

(A) a detention facility owned, operated, borrowed, or leased by the United States Government; and

(B) a detention facility of a foreign government at which United States Government personnel, including contractors, are permitted to conduct interrogations by the foreign government in question.

(e) ACCESS TO PRISONERS AND DETAINEES OF THE UNITED STATES TO ENSURE INDEPENDENT MONITORING AND TRANSPARENT INVESTIGATIONS.—Consistent with the obligations of the United States under international law and related protocols to which the United States is a party, the President shall take such actions as are necessary to ensure that representatives of the following organizations are granted access to detainees or prisoners in the custody or under the effective control of the Armed Forces:

(1) The International Federation of the International Committee of the Red Cross and the Red Crescent.

(2) The United Nations High Commissioner for Human Rights.

(3) The United Nations Special Rapporteur on Torture.

(f) GUIDELINES FOR VIDEOTAPE RECORDINGS.—

(1) DEVELOPMENT OF GUIDELINES.—The Judge Advocates General (as defined in section 801(1) of title 10, United States Code, (Article 1 of the Uniform Code of Military Justice)) shall jointly develop uniform guidelines designed to ensure that the videotaping required under subsection (a) is sufficiently expansive to prevent any abuse of detainees and prisoners referred to in subsection (a) and violations of law binding on the United States, including treaties specified in subsection (a).

(2) SUBMITTAL TO CONGRESS.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report containing the guidelines developed under paragraph (1).

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIRMAN. This will be a 2-minute vote.

The vote was taken by electronic device, and there were—ayes 199, noes 229, not voting 9, as follows:

[Roll No. 371]

AYES—199

Abercrombie	Fattah	McDermott
Ackerman	Filner	McGovern
Allen	Frank (MA)	McNerney
Andrews	Giffords	McNulty
Baca	Gilchrest	Meehan
Baldwin	Gillibrand	Meek (FL)
Bartlett (MD)	Green, Al	Meeks (NY)
Bean	Green, Gene	Melancon
Becerra	Grijalva	Michaud
Berman	Gutierrez	Miller (NC)
Berry	Hall (NY)	Miller, George
Bishop (NY)	Hare	Mitchell
Blumenauer	Harman	Mollohan
Bordallo	Hastings (FL)	Moore (KS)
Boswell	Higgins	Moore (WI)
Boucher	Hill	Moran (VA)
Boyd (FL)	Hinchey	Murtha
Brady (PA)	Hinojosa	Nadler
Braley (IA)	Hirono	Napolitano
Brown, Corrine	Hodes	Neal (MA)
Butterfield	Holt	Norton
Capps	Honda	Oberstar
Capuano	Hooley	Obey
Cardoza	Hoyer	Olver
Carnahan	Inglis (SC)	Pallone
Carson	Inslee	Pascrell
Castle	Israel	Pastor
Castor	Jackson (IL)	Paul
Christensen	Jackson-Lee (TX)	Payne
Clarke	Jefferson	Peterson (MN)
Clay	Johnson (GA)	Price (NC)
Cleaver	Johnson (IL)	Rahall
Clyburn	Johnson, E. B.	Rangel
Cohen	Kagen	Rohrabacher
Conyers	Kanjorski	Ros-Lehtinen
Costa	Kaptur	Rothman
Costello	Kennedy	Roybal-Allard
Courtney	Kildee	Rush
Crowley	Kilpatrick	Ryan (OH)
Cummings	Kind	Salazar
Davis (CA)	Klein (FL)	Sánchez, Linda T.
Davis (IL)	Kucinich	Sarbanes
DeFazio	Lantos	Schakowsky
DeGette	Larsen (WA)	Schiff
Delahunt	Larson (CT)	Schwartz
DeLauro	Lee	Scott (VA)
Diaz-Balart, L.	Levin	Serrano
Diaz-Balart, M.	Lewis (GA)	Sestak
Dicks	Lipinski	Shea-Porter
Dingell	Loebsack	Sherman
Doggett	Lofgren, Zoe	Sires
Doyle	Lowey	Skelton
Edwards	Maloney (NY)	Slaughter
Ellison	Markey	Smith (NJ)
Emanuel	Matsui	Smith (WA)
Eshoo	McCarthy (NY)	Solis
Etheridge	McCollum (MN)	Spratt
Farr		

Stark	Van Hollen	Waxman
Stupak	Velázquez	Weiner
Sutton	Visclosky	Wexler
Tauscher	Walsh (NY)	Wilson (OH)
Thompson (CA)	Walz (MN)	Woolsey
Thompson (MS)	Wasserman Schultz	Wu
Tierney	Waters	Wynn
Towns	Watson	Yarmuth
Udall (CO)	Watt	
Udall (NM)		

NOES—229

Aderholt	Foxx	Myrick
Akin	Franks (AZ)	Neugebauer
Alexander	Frelinghuysen	Nunes
Altmire	Gallegly	Ortiz
Arcuri	Garrett (NJ)	Pearce
Bachmann	Gerlach	Pence
Bachus	Gillmor	Perlmutter
Baker	Gingrey	Peterson (PA)
Barrett (SC)	Gohmert	Petri
Barrow	Gonzalez	Pickering
Barton (TX)	Goode	Pitts
Berkley	Goodlatte	Platts
Biggert	Gordon	Poe
Bilbray	Granger	Pomeroy
Bilirakis	Graves	Porter
Bishop (GA)	Hall (TX)	Price (GA)
Bishop (UT)	Hastert	Pryce (OH)
Blackburn	Hastings (WA)	Putnam
Blunt	Hayes	Radanovich
Boehner	Heller	Ramstad
Bonner	Hensarling	Regula
Bono	Herger	Rehberg
Boozman	Herseth Sandlin	Reichert
Boren	Hobson	Renzi
Boustany	Hoekstra	Reyes
Boyda (KS)	Holden	Reynolds
Brady (TX)	Hulshof	Rodriguez
Brown (SC)	Hunter	Rogers (AL)
Brown-Waite, Ginny	Issa	Rogers (KY)
Buchanan	Jindal	Rogers (MI)
Burgess	Johnson, Sam	Roskam
Burton (IN)	Jones (NC)	Ross
Buyer	Jordan	Royce
Calvert	Keller	Ruppersberger
Camp (MI)	King (IA)	Ryan (WI)
Campbell (CA)	King (NY)	Sali
Cannon	Kingston	Sanchez, Loretta
Cantor	Kirk	Saxton
Capito	Kline (MN)	Schmidt
Carney	Knollenberg	Scott (GA)
Carter	Kuhl (NY)	Sensenbrenner
Chabot	LaHood	Sessions
Chandler	Lamborn	Shadegg
Coble	Lampson	Shimkus
Cole (OK)	Langevin	Shuler
Conaway	Latham	Shuster
Cooper	LaTourette	Simpson
Cramer	Lewis (CA)	Smith (NE)
Crenshaw	Lewis (KY)	Smith (TX)
Cuellar	Linder	Snyder
Culberson	LoBiondo	Souder
Davis (AL)	Lucas	Space
Davis (KY)	Lungren, Daniel E.	Stearns
Davis, David	Lynch	Sullivan
Davis, Lincoln	Mack	Tancredo
Davis, Tom	Mahoney (FL)	Tanner
Deal (GA)	Manzullo	Taylor
Dent	Marchant	Terry
Donnelly	Marshall	Thornberry
Doolittle	Matheson	Tiahrt
Drake	McCarthy (CA)	Tiberi
Dreier	McCaul (TX)	Turner
Duncan	McCotter	Upton
Ehlers	McCrery	Walberg
Ellsworth	McHenry	Walden (OR)
Emerson	McHugh	Wamp
English (PA)	McIntyre	Welch (VT)
Everett	McKeon	Weldon (FL)
Fallin	Mica	Weller
Feeney	Miller (MI)	Westmoreland
Ferguson	Miller, Gary	Whitfield
Flake	Moran (KS)	Wicker
Forbes	Murphy (CT)	Wilson (NM)
Fortenberry	Murphy, Patrick	Wilson (SC)
Fortuño	Murphy, Tim	Wolf
Fossella	Musgrave	Young (AK)
		Young (FL)

NOT VOTING—9

Baird	Faleomavaega	Miller (FL)
Cubin	Jones (OH)	Shays
Davis, Jo Ann	McMorris Rodgers	
Engel		

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN (during the vote). Members are advised there is 1 minute remaining in this vote.

□ 1201

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. MILLER of Florida. Mr. Speaker, I would like to offer a personal explanation of the reason I missed rollcall Nos. 367 through 374 on May 17, 2007. I was down in my district attending the funeral of Staff Sgt. Timothy P. Padgett.

If present, I would have voted: rollcall vote No. 367, Tierney Amendment on Defense Authorization to reduce the $8.1 billion specified for Missile Defense Agency activities by $1.084 billion from specified programs, ''no''; rollcall vote No. 368, Franks Amendment on Defense Authorization to increase by $764 million the amount authorized for ballistic missile defense, ''aye''; rollcall vote No. 369, King Amendment on Defense Authorization to clarify that neither the bill nor any other provision of law shall prevent the U.S. government from establishing temporary military installations or bases by entering into a basing rights agreement with the government of Iraq, ''aye''; rollcall vote No. 370, Moran Amendment on Defense Authorization to require the Secretary of Defense to submit a report that contains a plan for the transfer of every enemy combatant at Naval Station, Guantanamo Bay, Cuba, ''no''; rollcall vote No. 371, Holt Amendment on Defense Authorization to require the videotaping of interrogations and other pertinent interactions between military personnel and/or contractors and detainees, ''no''.

Ms. BORDALLO. Mr. Chairman, I rise today in support of H.R. 1585, the National Defense Authorization Act for Fiscal Year 2008. The provisions of this bill are critical to our national security and to improving the readiness for our fighting men and women who serve our country so ably. I commend Chairman IKE SKELTON, Ranking Member DUNCAN HUNTER, and my colleagues on the Committee on Armed Services for their leadership and work on writing this important legislation. The work of the committee ensures that this Congress will make a meaningful and positive impact on our Armed Forces.

Many members of the United States armed services, including scores of servicemembers from Guam, are at duty stations in the United States, at sea, or are deployed to combat zones and elsewhere around the world today. I have had the unique opportunity, since I was elected to Congress in 2002 and sworn into office in 2003, to travel to many of the combat zones and visit with our servicemembers there. I remain impressed by the professionalism of the members of the United States armed services. I am inspired by their continued, steadfast commitment to their achieving their missions. And I am heartened by their daily, unquestioned acts of bravery performed in defense of the American way of life, despite the hostile intentions and aggressive actions of persistent and deadly enemies.

The responsibilities and obligations of members of the United States armed services are significant and honorable, but not without great risk. The tenth soldier from Guam to be killed in action during operations support of the war on terror will soon be laid to rest by his family, friends, and a grateful country. I, like all of my colleagues, am deeply saddened when we learn that the life of one of our country's finest young men and women has been ended as a result of their service to our country. Such a loss is grave to the United States and to the United States armed services. But there is no doubt their passing is a more grievous loss to their family, friends, and communities who knew and loved them as individuals. All of us should try to find comfort in the thought that our service men and women serve so that others might someday know the joys of liberty and justice. And for that, we should all be proud and thankful.

We have the opportunity today to act and renew our commitment to our servicemembers. Supporting this legislation will help provide for our military heroes and their families. There are few who deserve our support and gratitude more than these individuals and their spouses and children. At home and abroad, they serve and represent our country and government in a manner that is both honorable and admirable.

This legislation in particular addresses many critical issues that face Guam, our community and the existing and planned military facilities for our island. Included in this bill are authorizations for a total of over $300 million of military construction projects on Guam for fiscal year 2008. This amount represents a significant increase above the amount of military construction funding that was authorized and appropriated for Guam for fiscal year 2007. I welcome this significant increase in investment in Guam. These increases improve the facilities and capabilities of the military bases on Guam. But they also help Guam's business community to begin to build the capacity that it will need in order to successfully compete for, and complete the scopes of work of, the tremendous amount of military construction planned to support the rebasing of United States Marines from Okinawa, Japan, to Guam.

The bill before us today includes approvals for full funding of several key infrastructure projects at Naval Base Guam. Among them is an authorization for $59.4 million to improve the base's electrical system security; for $57.2 million for Naval family housing; for $51.8 million to expand wharf capacity at Kilo Wharf in Apra Harbor; for $42.5 million for a new fitness center on base; for $40.8 million to repair and upgrade the base's wastewater treatment plant; and for $31.4 million to build Phase I of a potable water distribution system on base. This legislation would also provide authorizations to fund needed projects at Andersen Air Force Base on Guam. The authorizations are for $15.8 million for two projects at Northwest Field to support the 607th Training Flight ''Commando Warrior'' unit that will soon relocate from Osan Air Base, Korea, to Guam.

In addition to military construction projects, H.R. 1585 addresses quality of life issues for military retirees and military dependents on Guam. The Department of Defense has been unresponsive to the needs of retirees on Guam who are reliant on the TRICARE system. Military retirees who live on Guam who are referred off island for specialty care are forced to travel to those locations at their own expense. These trips to access referred specialty care in Hawaii or California cost in the

thousands of dollars. The Department of Defense used to cover this significant expense. But in 2005 it suddenly changed its policy and practice and discontinued reimbursements to retirees for the travel expenses they incur as a result of such referrals. I raised this matter repeatedly during committee hearings since 2005. I have written to Department officials regarding this issue, and discussed it with them during meetings. The committee included report language on this matter in the report that accompanied H.R. 1815, the National Defense Authorization Act for fiscal year 2005. Unfortunately, the Department has taken no action to provide relief to Guam's retirees.

I understand that this is a challenging issue. But Guam's retirees deserve to be treated better and deserve resolution brought to this matter. This is why I requested that H.R. 1585 include a provision that would authorize retirees requiring specialty care at off-island medical facilities to receive space-available category 4 level seating priority. Additionally, I have requested that the Department of Defense be required to submit to the committee a report that would identify the administrative actions needed to be executed in order to provide relief to the affected TRICARE beneficiaries residing in the territories of the United States. I most sincerely hope that the Department takes a very close look at its current policies and provides the committee with a thoughtful, innovative, and actionable plan to resolve this matter. I remain committed to working with the Department toward this end.

The report accompanying H.R. 1585 includes language that directs the Department of Defense to conduct a study on the treatment of general and flag officers, and other servicemembers who are called out of retirement to serve their country. It has come to my attention that there are numerous instances where officers left active duty or reserve status only to return and were not allowed to retire at the highest grade attained. In an era where our Reserve components are operational forces, we can ill afford losing any servicemembers who have the institutional knowledge and expertise that is critical to maintaining a ready and operational force. Moreover, we must ensure that our Reserve component members are treated equitably and fairly. I am committed to ensuring that the affected servicemembers receive a fair and equitable solution to this issue and that they be able to retire with the benefits they have earned. I commit that I will work closely with the Department to ensure that we come to a fair solution to this matter.

Finally, I was honored to co-sponsor the National Guard Empowerment Act under the leadership of Mr. TAYLOR of Mississippi, Mr. DAVIS of Virginia, and Mr. HAYES of North Carolina. I am pleased that a substantial portion this legislation has been incorporated into H.R. 1595. After comprehensive studies undertaken by various research institutions and by the Commission on the National Guard and Reserve we finally have legislation that addresses the concerns brought forward in these studies. We will finally give the National Guard a seat at the table. As Lieutenant Governor, I know firsthand, how brave, valiant, and essential the National Guard is to the safety and security of our country. Elevating the Chief of the National Guard Bureau to a four-star general allows the Bureau to overcome certain cultural dynamics within the Department of Defense. The provisions making the National Guard Bureau a joint activity and the requirement to have the Chief of the National Guard Bureau help identify Department of Defense civil support requirements are even more essential. If we are to give the National Guard a seat at the table, then we must ensure that the root problems are rectified. Nothing can be more important than ensuring that we have a ready force to respond to natural disasters and terrorist attacks. Where other departments and agencies have failed in previous years, I am confident that the National Guard will develop a solid lay down of requirements so that we, as a country, are truly ready to respond to emergencies. I also believe, consistent with my other initiatives, that the Department should give very serious consideration to allowing State Adjutants Generals joint credit for their service to the State. The National Guard is truly a joint force and the work of their general officers should be recognized as such.

I support this bill Mr. Chairman. There are quality provisions in it that will benefit the bases on Guam. The quality of life experienced by military personnel who are stationed there and their families who accompany them will be improved as a result of passage of this bill. The provisions of this bill moreover will help us better serve retirees who have served us so nobly in their careers. Indeed, this bill will make notable contributions to the security of the United States and to defending our country's interests around the world. But I want to take this opportunity to note my concern regarding a couple of matters contained in or related to the provisions of this bill.

The Committee has authorized the funding for the Kilo Wharf project at Naval Base Guam, but has directed a phased approach to executing this project. The administration opposes this approach. I share these concerns. I am particularly concerned that the funding for this project will receive further cuts as this bill proceeds through the legislative process. I encourage the Department of the Navy to redouble its efforts to ensure that this project can proceed according to plan and to engage with me in dialogue regarding potential barriers to success for it. The Kilo Wharf project is critical to increasing wharf capacity at Naval Base Guam. Guam offers the United States Armed Forces a strategic location to counter threats posed by the People's Republic of China, North Korea, and al Qaeda affiliated terrorist forces in Southeast Asia. Further funding reductions for the Kilo Wharf project will negatively impact the ability of our commander to re-fit and re-supply vessels operating in, and to respond to contingencies, in the region.

Mr. UDALL of Colorado. Mr. Chairman, I rise in strong support of this bill.

I applaud Chairman SKELTON for his leadership in guiding this bill to the floor today. He and Ranking Member HUNTER have done a tremendous job, and they have been ably supported by the expert staff of our committee.

I'm grateful to Chairman SKELTON for working with me to include things important for Colorado, including limits on how the Army can pursue possible expansion of the Pinon Canyon Maneuver Site in Colorado. I agree with Senator SALAZAR and others in the Colorado delegation that any expansion, if it takes place at all, must be conducted in a way that it is a win-win situation for the Army and for Colorado and that any expansion plan should not involve condemnation of private land. My proposal will shine a necessary caution light before the Army charges forward, and force the Army to do what it has so far failed to do—that is, to make a compelling case for why the proposed expansion is necessary to meet the training needs of our soldiers in the 21st century.

Other provisions I offered in the bill include—funding for a new squadron operations facility for the Colorado Air National Guard; promoting agreement between the Air Force and the city of Pueblo about flight operations at the Pueblo airport; urging the Defense Department to use on-site disposal of chemical weapons stockpiled at the Pueblo Chemical Depot; asking the Army to track pilots who train at the High-Altitude Aviation Training School in Eagle, Colorado; and reporting on opportunities for leveraging Defense Department funds with States' funds to prevent disruption in the event of electric grid or pipeline failures and encouraging the Defense Department to leverage Energy Savings Performance Contracts with Energy Conservation Investment Program funds to provide additional opportunity for renewable energy projects; and naming a housing facility at Fort Carson in honor of our former colleague Joel Hefley.

I am also pleased that the committee adopted two of my amendments, including one to repeal a provision adopted last year that makes it easier for the president to federalize the National Guard for domestic law enforcement purposes during emergencies. By repealing this, my amendment restores the role of the Governors with regard to this subject. My other amendment will continue the office of the Ombudsman that assists people claiming benefits under the Energy Employees Occupational Illness Compensation Program Act (EEOICPA) and expands its authority.

Mr. Chairman, this bill rightly focuses on our military's readiness needs. After 5 years at war, both the active duty and reserve forces are stretched to their limits. The bill will provide what's needed to respond, including a substantial Strategic Readiness Fund, adding funds for National Guard equipment and training, and establishing a Defense Readiness Production Board to mobilize the industrial base to address equipment shortfalls.

It also provides important funds for the Base Realignment and Closure process, including $62 million to assist communities expected to absorb large numbers of personnel as a result of the BRAC decision. This funding is especially important to Colorado, given that Fort Carson in Colorado Springs will add 10,000 soldiers and will be home to 25,000 troops by 2009.

The bill provides substantial resources to improve protection of our troops, including additional funds for Mine Resistant Ambush Protected Vehicles, body armor, and up-armored Humvees for our troops in the field. The bill enlarges the Army and Marine Corps, consistent with the Tauscher-Udall Army expansion bill in the last Congress. And it will provide for a 3.5 percent across-the-board pay raise for service members, boost funding for the Defense Health Program, and prohibit increasing TRICARE and pharmacy user fee increases.

The bill incorporates provisions from the Wounded Warrior Assistance Act, which recently passed the House and was driven by the revelations of mistreatment and mismanagement at Walter Reed Army Medical

Center. These provisions establish new requirements to provide the people, training, and oversight needed to ensure high-quality care and efficient administrative processing at Walter Reed and throughout the active duty military services. The bill also establishes a Military Mental Health Initiative to coordinate all mental health research and development within the Defense Department, and establishes a Traumatic Brain Injury Initiative to allow emerging technologies and treatments to compete for funding.

Given the increased use of the National Guard and Reserves in recent years, the bill gives important new authorities to the National Guard to fulfill its expanded role, including authorizing a fourth star for the Chief of the National Guard Bureau, making the National Guard Bureau a joint activity of the Department of Defense, and creating a bipartisan Council of Governors to advise the President on how best to use the National Guard for civil support missions. The bill also requires the Chairman of the Joint Chiefs of Staff to consider how to incorporate more National Guard and Reserve personnel into positions at Northern Command, based in Colorado.

I'm pleased that the bill fully supports the goals of the Department of Energy nonproliferation programs and the Department of Defense Cooperative Threat Reduction program, consistent with the 9/11 Commission recommendations. The bill also slows development of a Reliable Replacement Warhead and the construction of a new plutonium production facility, and establishes a bipartisan commission to evaluate U.S. strategic posture for the future, including the role that nuclear weapons should play in our national security strategy.

I also want to mention funding for missile defense in the bill. The bill increases missile defense funding for systems that address current needs and vulnerabilities, while reducing funding for less mature and higher risk systems. The cuts in missile defense programs in the bill have been cause for concern among some on the other side of the aisle. But the bill funds 93 cents of every dollar of the President's missile defense request, so the cuts are far from extreme. It fully funds the budget request for the Patriot PAC–3 missile, the Ground Based Missile Defense System, and THAAD development and deployment, and adds funding for Aegis Ballistic Missile Defense. But it makes reductions to the Airborne Laser program and funding for the 3rd BMD Site which the Administration has proposed building in Eastern Europe.

Importantly, the bill provides for an independent study to examine the political, technical, operational, force structure, and budgetary aspects of the proposed European missile defense deployment; an independent study to examine the future roles and missions of the Missile Defense Agency; a two year extension of the requirement for GAO to annually assess the missile defense program; and assurance that the Director of Operational Test and Evaluation has access to all MDA operational test evaluation information.

In my view, the bill strikes the right balance with regard to missile defense. I did not support the amendment by Representative FRANKS to increase missile defense funds because I believe the Committee takes a better approach in its bill. Likewise, I did not support the amendment offered by Representative TIERNEY to decrease missile defense funds because I thought it went too far in the other direction. There are emerging and real, near-term threats facing the Nation, the warfighter, and our allies that we need to be able to counter, so I think it would be irresponsible to terminate the longer-term missile defense as Representative TIERNEY's amendment proposed to do.

Finally but no less importantly, the bill requires the Secretary of Defense to submit a detailed report on the implementation of the Joint Campaign Plan for Iraq, on national reconciliation efforts on the part of the Iraqi government, and on metrics to measure American efforts in Iraq, based on assessments by GEN David Petraeus and U.S. Ambassador to Iraq Ryan Crocker. The bill also requires the Secretary to produce a report outlining the direction of U.S. activities in Afghanistan along with indicators of progress, and the bill establishes a Special Inspector General for Afghanistan Reconstruction.

Mr. Chairman, the bill we are considering today does an excellent job of balancing the need to sustain our current warfighting abilities with the need to prepare for the next threat to our national security. It is critical that we are able to meet the operational demands of today even as we continue to prepare our men and women in uniform to be the best trained and equipped force in the world.

This is a good bill, a carefully drafted and bipartisan bill, and I urge its passage.

Mr. BLUMENAUER. Mr. Chairman, this year's Defense Authorization presented us with a great opportunity to bring the focus of the American military back in line with American values. Unfortunately, that opportunity was missed. This bill does little to correct the President's misplaced priorities of missile defense, indefinite detainment of prisoners, preemptive war, and weapons for wars we are not fighting today.

Last year the House passed the Military Commissions Act which attempted to add legitimacy to the improper actions of the Bush administration to ignore habeas corpus rights for prisoners at Guantanamo Bay. By not adhering to the strictest standards when putting suspected terrorists on trial, we run the risk of punishing innocent people who could simply have been in the wrong place at the wrong time. It is now widely known that hundreds of inmates at Guantanamo Bay may in fact have had nothing to do with terrorism. Sadly this bill does nothing to change the status quo of wrongdoing.

It perplexes me that while we are fighting an urban war against improvised explosive devices, snipers, and suicide bombers in Baghdad, we continue to spend precious resources on weapons that are unproven or designed for an obsolete Cold War. We had an opportunity today to push the Department of Defense to review these weapons and report back to Congress on their viability and value, but unfortunately the amendment failed. I also voted for an amendment to ensure that the power to declare war solely resided with Congress, as our forefathers intended, and not with the Executive Branch. This amendment also failed. This administration has repeatedly shown that it will make bad judgment and has repeatedly crossed the line of its constitutional powers. I am deeply concerned that the House is unprepared to rein in the President's stance of preemptive war with Iran and it is my hope that we will not regret this decision in the future.

Finally, I planned to offer an amendment that would have simply required the Department of Defense to create a database of incidents involving unexploded ordnance. I am disappointed that it was not made in order, and that we were not able to deal with that critical issue today.

With so little progress made in this year's authorization, I am forced to vote against this bill. I will continue to work for the changes that the American people and our men and women in the military deserve.

Mr. JORDAN of Ohio. Mr. Chairman, the principal role of our Federal Government is to help keep America safe.

As such, we in Congress must make our national defense a top budget priority.

This means we must pledge our steadfast support to American troops serving both at home and abroad, and we must renew our unwavering commitment to homeland security, in recognition of the dangerous world in which we live.

H.R. 1585, the National Defense Authorization Act, makes a genuine effort to achieve each of these goals. That's why I will vote for it, and I urge my colleagues to do the same.

In 1945, at the end of World War II, the defense budget of the United States represented 34.5 percent of our Gross Domestic Product. By 1968, that number had shrunk to 9.8 percent. Today, the number is less than half of that: about 4.3 percent.

Certainly, the overall dollars spent on defense have increased as our economy has grown, but it is clear that our priorities have shifted. This bill, while not perfect, commits to funding our defense budget in a way that many of us would have thought impossible just a few months ago, given the nature of the debate at that time. Some would argue that the tenor of the debate on national defense has shifted from talk of cutting off funds for our troops in battle to this bipartisan bill.

Some of the bipartisan provisions contained in this defense funding blueprint include: Continued support for our troops in harm's way, serving in Operation Enduring Freedom and Operation Iraqi Freedom and elsewhere. $4.1 billion for state-of-the-art Mine-Resistant Ambush Protected (MRAP) vehicles to help protect our soldiers from IEDs. Increased Army and Marine Corps active duty end strength, as well as a 3.5 percent pay raise for all members of the armed forces in 2008, and guaranteed pay raises in 2009, 2010, and 2011. $1 billion in new funding for National Guard equipment to benefit both our homeland security and national defense missions.

These are great and welcome achievements for our national defense—achievements that each of us can be proud to support. But make no mistake: this bill is far from perfect. The measure contains some critical funding cuts that, in my opinion, will hurt our ability to protect our homeland and our national defense interests from missile attacks.

The Democratic bill guts funding for a ballistic missile defense system capable of intercepting missiles in each phase of flight. This type of program can help protect against growing threats in a changing world. Though I was pleased we Republicans were able to restore some of the funding for this important program through the amendment process, I am disappointed that cuts still exist. But in terms of helping achieve our most critical role—keeping America safe—this bill has, and deserves, bipartisan support.

Again, Mr. Chairman, though there are some aspects of this legislation that I clearly oppose, it is an important step in the direction of making national defense and homeland security a continued priority of this Congress.

The Acting CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The Acting CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. WEINER) having assumed the chair, Mr. PASTOR, Acting Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 1585) to authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2008, and for other purposes, pursuant to House Resolution 403, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the amendment reported from the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. HUNTER

Mr. HUNTER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. HUNTER. Yes.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Hunter moves to recommit the bill H.R. 1585 to the Committee on Armed Services with instructions to report the same back to the House forthwith with the following amendment:

Title II, subtitle C, add at the end the following:

SEC. 2___. EXPAND UNITED STATES BALLISTIC MISSILE DEFENSE SYSTEM INTEGRATION WITH ISRAEL.

(a) REQUIREMENT.—The Secretary of Defense shall expand the ballistic missile defense system of the United States to better integrate with the defenses of Israel to provide robust, layered protection against ballistic missile attack.

(b) REPORT.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this section, the Secretary of Defense, in consultation with the Secretary of State, shall submit to the appropriate congressional committees a progress report on the status of integrating the ballistic missile defense system of the United States with the defenses of Israel including the status of implementation of those programs identified in subsection (c). This report may be provided in classified form as necessary to protect U.S. national security interests.

(2) CONTENT.—The report submitted under this subsection shall include the following:

(A) A description of the capabilities needed to fully integrate the ballistic missile defense system of the United States with the ballistic missile defense system of Israel.

(B) A description of systems and capabilities currently providing ballistic missile defense of Israel and the United States, an assessment of the sufficiency of current capabilities; and identification of the Department's actions for addressing any insufficiencies, if required.

(C) A description of the policy, doctrine, operational concepts, tactics, techniques and procedures, exercises, and training that currently support the integrated ballistic missile defense of Israel and the United States, an assessment of the sufficiency of current policy, programs, and processes; and identification of the Department's actions for addressing any insufficiencies, if required.

(3) DEFINITION.—In this subsection, the term ''appropriate congressional committees'' means—

(A) the Committee on Appropriations, the Committee on Armed Services, and the Committee on Foreign Affairs of the House of Representatives; and

(B) the Committee on Appropriations, the Committee on Armed Services, and the Committee on Foreign Relations of the Senate.

(c) INCREASE.—The amount in section 201(4), research, development, test, and evaluation, Defense-wide, is hereby increased by $205,000,000, of which—

(1) $25,000,000 is to be available to complete accelerated co-production of Arrow missiles and continue integration with the ballistic missile defense system of the United States;

(2) $45,000,000 is to be available to continue system development of the Missile Defense Agency and Israel Missile Defense Organization joint program to develop a short-range ballistic missile defense capability, David's Sling weapon system, and integrate the weapon system with the ballistic missile defense system and force protection efforts of the United States; and

(3) $135,000,000 is to be made available to begin acquisition of a Terminal High Altitude Area Defense (THAAD) fire unit, which would provide Israel with a follow-on missile defense system of greater performance than the current Arrow system and provide a capability which is already fully integrated with the ballistic missile defense system of the United States.

(d) OFFSET.—The amounts in title I and title II are hereby reduced by an aggregate of $205,000,000, to be derived from amounts other than amounts for ballistic missile defense, as determined by the Secretary of Defense.

Mr. HUNTER (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. WICKER. I object, Mr. Speaker.

The SPEAKER pro tempore. Objection is heard.

The Clerk will continue.

The Clerk continued to read.

The SPEAKER pro tempore. The gentleman from California is recognized for 5 minutes in support of his motion.

Mr. HUNTER. Mr. Speaker, this is a good Defense bill, and I want to compliment my great friend the gentleman from Missouri for his leadership in helping to put together this bill that passed the committee unanimously, came to the floor, and we can expect a big vote, I think, of support from the Members of this body. We are about to make this bill better.

In 1987 this committee, the Armed Services Committee, sent a letter to the leadership in Israel, and we told them that there were lots of things that they could defend against very effectively, that if tactical aircraft were sent into Israel in an attack they would shoot down all of them, and they have proven that, but that if ballistic missiles were launched for Tel Aviv, every single one of them would impact because they had no defenses. And we urged them to join with the United States in developing a system of missile defense. And upon our urging, they started what is known as the Arrow missile program. It has come a long way. It has been deployed.

And that prophetic letter that we sent them in 1987, of course, was followed by real missile attacks on Israel. They didn't quite have that system up at that time. We rushed PATRIOTs over. They now have the Arrow missile defense system up. But in the most recent attacks we have seen short-range missiles that also impacted in Israel.

This motion to recommit is $200 million that is dedicated to integrating our missile defense systems with those of Israel, using the great innovation of Americans along with their great innovative capabilities, to defend against this new era of terrorists with high technology.

Mr. Speaker, I yield at this time such time as he may consume to the gentleman from Illinois (Mr. KIRK), who has been a leader in putting this motion to recommit together.

Mr. KIRK. Mr. Speaker, I thank the gentleman for yielding.

If you could vote against a second genocide against the Jewish people, would you? If you could defend America's best ally in the Middle East from an attack by Iran, would you? If you could stand with the people of Israel and tell them that their children could feel safer in the new and dangerous 21st century, would you?

History teaches us that dictators say what they will do and then do what they say. The Iranian leader has indicated that one Holocaust against the Jewish people is not enough. Last April he said that Israel was headed towards annihilation.

This week the United Nations International Atomic Energy Agency Director General announced that Iran has fully mastered uranium enrichment technology and Iran's military test fired a missile that can now harm the people of Israel.

This amendment restores funding for the missile defense of our country and says that the defenses of our country should be fully integrated with the missile defense of Israel. This motion

to recommit stands for the principle that democracies are best when they stand together; as our Founding Fathers said, when we face the threat from a tyrant that we will either hang separately or hang together.

Unless this motion to recommit carries, we will fail to put the full missile defenses of the American people against the full threat facing the people of Israel. But if this motion carries, then those who would seek to harm the people of Israel would know that they face the full weight of the great democracy across the sea who is standing behind the safety and security of our best ally in the Middle East, the State of Israel.

Mr. HUNTER. Mr. Speaker, I thank the gentleman.

And let me just remind all my colleagues that the day will come when missiles from other countries, adversarial countries, will not fall harmlessly into the Sea of Japan. They will not fall harmlessly into desert sands. We will have a time when we have to defend against incoming ballistic missiles in this country and across the borders of our allies, including Israel.

Do what is right for the United States, and what we do today in providing missile defense will protect the next generation of Americans. Vote ''yes'' on this motion to recommit.

Mr. SKELTON. Mr. Speaker, I ask unanimous consent to claim the time in opposition though I am not opposed to the motion to recommit.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER pro tempore. The gentleman from Missouri is recognized for 5 minutes.

Mr. SKELTON. I am somewhat disturbed, Mr. Speaker, procedurally on something this important not being shown to anyone on this side until moments ago and it takes a speed reader to go over the amendment and digest it.

We are going to accept this amendment. In truth, in fact, the committee, the Armed Services Committee, fully funded, and I will say it again, fully funded the administration's request for Israeli missile defenses. The committee strongly supports efforts to work with Israel on missile defense. This has been true for years. The bill fully funds the President's request of $73.5 million for the Arrow missile defense system. It fully funds the President's request of $7 million for the joint U.S.-Israeli ''David's Sling'' short-range ballistic missile.

□ 1215

The committee also supports Israel's effort to obtain information on the THAAD system, which is being held up by the Pentagon.

It's interesting to point out that Representative TERRY EVERETT and I wrote a letter on March 12 of this year to the Secretary of Defense asking that he work to release the THAAD information to Israel.

Mr. Speaker, at this moment, I yield 1 minute to the gentlelady from California, the chairman of the Subcommittee on Strategic Forces (Mrs. TAUSCHER).

Mrs. TAUSCHER. I thank the chairman.

Mr. Speaker, as my colleagues are rushing to clap and pat themselves on the back, I just want to make very clear; this is not new, this is just more, and that is why we're happy to accept it.

If you look at the report language on page 242, we make it very clear that our cooperative relationship with Israel is not only significant, but primary, and that our efforts to invest with them over these many years on programs like David's Sling and Arrow are significant and are fully funded at the President's request in this bill.

What we don't have, however, which perhaps you could help with, is the cooperation of the Department of Defense to share critical information with Israel on THAAD.

So I think, frankly, that this is of more of a ''me too'' than it is anything else. We are happy to accept it. But I think if you check the language on 242, you will see that this committee has done all that needs to be done, going along with the President to fully fund these programs, but we could use some help with the administration and the Pentagon to get them to work cooperatively on THAAD.

Mr. SKELTON. At this time, Mr. Speaker, I yield 30 seconds to the gentleman from New Jersey (Mr. ANDREWS).

Mr. ANDREWS. Mr. Speaker, I associate myself with the remarks of the chairwoman of the committee, and I will support the amendment.

I just am curious as to why, in a process of bipartisan negotiation, the amendment wasn't raised before now; why in a 14-hour markup it wasn't raised before now; why in a rule that made dozens of amendments in order it wasn't raised until now. The chairman of the committee saw the amendment 5 minutes before it was issued. It says a lot about the devotion of the minority to this cause.

Mr. HUNTER. Will the gentleman yield?

Mr. SKELTON. I yield, Mr. Speaker, 30 seconds to the gentleman from California (Mr. BERMAN).

Mr. BERMAN. I thank the gentleman for yielding.

Mr. Speaker, I just want to get one sense of anger off my chest.

I have great respect for the gentleman from Illinois, but to talk about the Holocaust, to talk about Ahmadinejad, to talk about the historic deep commitment of this Congress and this country to the survival and the security of the State of Israel in the context of an unshown, unshared motion to recommit on a very sensitive issue partisanizes and cheapens a very important question, and I resent it.

Mr. SKELTON. Mr. Speaker, may I inquire if I have any additional time?

The SPEAKER pro tempore. The chairman has 30 additional seconds.

Mr. SKELTON. Mr. Speaker, we will accept this amendment.

Mr. HUNTER. Will the gentleman yield for just 5 seconds?

Mr. SKELTON. I will yield to the gentleman from California 15 seconds.

Mr. HUNTER. I thank my friend for yielding.

This amendment was offered by Mr. CANTOR and was not ruled in order by the Rules Committee. So this was not without precedent.

Mr. SKELTON. That was not the same amendment, I must point out to my friend from California; that was not the one that was offered to the Rules Committee.

Nevertheless, let's point out that we have fully funded. We have worked with in the past and we will continue to work with Israel. It is of primary importance. No one can doubt the commitment of the Armed Services Committee in this regard.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. HUNTER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 8 and clause 9 of rule XX, this 15-minute vote on the motion to recommit will be followed by 5-minute votes on the passage of H.R. 1585, if ordered, and adoption of House Resolution 404.

The vote was taken by electronic device, and there were—ayes 394, noes 30, not voting 8, as follows:

[Roll No. 372]

AYES—394

Ackerman	Boehner	Cardoza
Aderholt	Bonner	Carnahan
Akin	Bono	Carney
Alexander	Boozman	Carson
Allen	Boren	Carter
Altmire	Boswell	Castle
Andrews	Boucher	Castor
Arcuri	Boustany	Chabot
Baca	Boyd (FL)	Chandler
Bachmann	Boyda (KS)	Clarke
Bachus	Brady (PA)	Cleaver
Baker	Brady (TX)	Clyburn
Baldwin	Braley (IA)	Coble
Barrett (SC)	Brown (SC)	Cohen
Barrow	Brown, Corrine	Cole (OK)
Bartlett (MD)	Brown-Waite, Ginny	Conaway
Barton (TX)	Buchanan	Cooper
Bean	Burgess	Costa
Becerra	Burton (IN)	Costello
Berkley	Butterfield	Courtney
Berman	Buyer	Cramer
Berry	Calvert	Crenshaw
Biggert	Camp (MI)	Crowley
Bilbray	Campbell (CA)	Cuellar
Bilirakis	Cannon	Culberson
Bishop (GA)	Cantor	Cummings
Bishop (NY)	Capito	Davis (AL)
Bishop (UT)	Capps	Davis (CA)
Blackburn	Capuano	Davis (IL)
Blunt		Davis (KY)

Davis, David
Davis, Lincoln
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Doggett
Donnelly
Doolittle
Doyle
Drake
Dreier
Duncan
Edwards
Ehlers
Ellison
Ellsworth
Emanuel
Emerson
English (PA)
Etheridge
Everett
Fallin
Fattah
Feeney
Ferguson
Filner
Flake
Forbes
Fortenberry
Fossella
Foxx
Frank (MA)
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Giffords
Gilchrest
Gillibrand
Gillmor
Gingrey
Gohmert
Gonzalez
Goode
Goodlatte
Gordon
Granger
Graves
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hall (TX)
Hare
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Herseth Sandlin
Higgins
Hill
Hinojosa
Hobson
Hodes
Hoekstra
Holden
Honda
Hooley
Hoyer
Hulshof
Hunter
Inglis (SC)
Inslee
Israel
Issa
Jefferson
Jindal
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jordan
Kagen
Kanjorski
Keller
Kennedy
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Klein (FL)
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren, Zoe
Lowey
Lucas
Lungren, Daniel E.
Lynch
Mack
Mahoney (FL)
Maloney (NY)
Manzullo
Marchant
Markey
Marshall
Matheson
Matsui
McCarthy (CA)
McCarthy (NY)
McCaul (TX)
McCollum (MN)
McCotter
McCrery
McGovern
McHenry
McHugh
McIntyre
McKeon
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Mica
Michaud
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Mitchell
Mollohan
Moore (KS)
Moran (KS)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Neugebauer
Nunes
Ortiz
Pallone
Pascrell
Pastor
Payne
Pearce
Pence
Perlmutter
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pomeroy
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Rangel
Regula
Rehberg
Reichert
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Salazar
Sali
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schmidt
Schwartz
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Sestak
Shadegg
Shea-Porter
Sherman
Shimkus
Shuler
Shuster
Simpson
Sires
Skelton
Slaughter
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Space
Spratt
Stearns
Stupak
Sullivan
Sutton
Tancredo
Tanner
Tauscher
Taylor
Terry
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Walberg
Walden (OR)
Walsh (NY)
Walz (MN)
Wamp
Wasserman Schultz
Waters
Watson
Waxman
Weiner
Welch (VT)
Weldon (FL)
Weller
Westmoreland
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (OH)
Wilson (SC)
Wolf
Wu
Wynn
Yarmuth
Young (AK)
Young (FL)

NOES—30

Abercrombie
Blumenauer
Clay
Conyers
Dingell
Eshoo
Farr
Hinchey
Hirono
Holt
Jackson (IL)
Jackson-Lee (TX)
Kaptur
Kucinich
Lee
Loebsack
McDermott
Miller, George
Moore (WI)
Moran (VA)
Oberstar
Obey
Olver
Paul
Price (NC)
Rahall
Stark
Tierney
Watt
Woolsey

NOT VOTING—8

Baird
Cubin
Davis, Jo Ann
Engel
Harman
Jones (OH)
McMorris Rodgers
Shays

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised 2 minutes remain.

□ 1238

Messrs. TIERNEY, BLUMENAUER, HOLT, FARR and CONYERS changed their vote from ''aye'' to ''no.''

Messrs. CLYBURN, HALL of New York and ELLISON changed their vote from ''no'' to ''aye.''

So the motion to recommit was agreed to.

The result of the vote was announced as above recorded.

Mr. SKELTON. Mr. Speaker, pursuant to the instructions of the House on the motion to recommit, I hereby report H.R. 1585 back to the House with an amendment.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Amendment:

Title II, subtitle C, add at the end the following:

SEC. 2___. EXPAND UNITED STATES BALLISTIC MISSILE DEFENSE SYSTEM INTEGRATION WITH ISRAEL.

(a) REQUIREMENT.—The Secretary of Defense shall expand the ballistic missile defense system of the United States to better integrate with the defenses of Israel to provide robust, layered protection against ballistic missile attack.

(b) REPORT.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this section, the Secretary of Defense, in consultation with the Secretary of State, shall submit to the appropriate congressional committees a progress report on the status of integrating the ballistic missile defense system of the United States with the defenses of Israel including the status of implementation of those programs identified in subsection (c). This report may be provided in classified form as necessary to protect U.S. national security interests.

(2) CONTENT.—The report submitted under this subsection shall include the following:

(A) A description of the capabilities needed to fully integrate the ballistic missile defense system of the United States with the ballistic missile defense system of Israel.

(B) A description of systems and capabilities currently providing ballistic missile defense of Israel and the United States, an assessment of the sufficiency of current capabilities; and identification of the Department's actions for addressing any insufficiencies, if required.

(C) A description of the policy, doctrine, operational concepts, tactics, techniques and procedures, exercises, and training that currently support the integrated ballistic missile defense of Israel and the United States, an assessment of the sufficiency of current policy, programs, and processes; and identification of the Department's actions for addressing any insufficiencies, if required.

(3) DEFINITION.—In this subsection, the term ''appropriate congressional committees'' means—

(A) the Committee on Appropriations, the Committee on Armed Services, and the Committee on Foreign Affairs of the House of Representatives; and

(B) the Committee on Appropriations, the Committee on Armed Services, and the Committee on Foreign Relations of the Senate.

(c) INCREASE.—The amount in section 201(4), research, development, test, and evaluation, Defense-wide, is hereby increased by $205,000,000, of which—

(1) $25,000,000 is to be available to complete accelerated co-production of Arrow missiles and continue integration with the ballistic missile defense system of the United States;

(2) $45,000,000 is to be available to continue system development of the Missile Defense Agency and Israel Missile Defense Organization joint program to develop a short-range ballistic missile defense capability, David's Sling weapon system, and integrate the weapon system with the ballistic missile defense system and force protection efforts of the United States; and

(3) $135,000,000 is to be made available to begin acquisition of a Terminal High Altitude Area Defense (THAAD) fire unit, which would provide Israel with a follow-on missile defense system of greater performance than the current Arrow system and provide a capability which is already fully integrated with the ballistic missile defense system of the United States.

(d) OFFSET.—The amounts in title I and title II are hereby reduced by an aggregate of $205,000,000, to be derived from amounts other than amounts for ballistic missile defense, as determined by the Secretary of Defense.

Mr. SKELTON (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. HUNTER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 397, noes 27, not voting 8, as follows:

[Roll No. 373]

AYES—397

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Altmire
Andrews
Arcuri
Baca
Bachmann
Bachus
Baker
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Bean
Becerra
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boren
Boswell
Boucher
Boustany
Boyd (FL)
Boyda (KS)
Brady (PA)
Brady (TX)
Braley (IA)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Butterfield
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Capps
Cardoza
Carnahan
Carney
Carson
Carter
Castle
Castor
Chabot
Chandler
Clarke
Clay
Cleaver
Clyburn
Coble
Cohen
Cole (OK)
Conaway
Cooper
Costa
Costello
Courtney
Cramer
Crenshaw
Crowley
Cuellar
Culberson
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis (KY)
Davis, David
Davis, Lincoln
Davis, Tom
Deal (GA)
DeFazio
DeGette
DeLauro
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Donnelly
Doolittle
Doyle
Drake
Dreier
Edwards
Ehlers
Ellsworth
Emanuel
Emerson
English (PA)
Eshoo
Etheridge
Everett
Fallin
Farr
Fattah
Feeney
Ferguson
Filner
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Giffords
Gilchrest
Gillibrand
Gillmor
Gingrey
Gohmert
Gonzalez
Goode
Goodlatte
Gordon
Granger
Graves
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hall (TX)
Hare
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hobson
Hodes
Hoekstra
Holden
Holt
Honda
Hooley
Hoyer
Hulshof
Hunter
Inglis (SC)
Inslee
Israel
Issa
Jackson-Lee (TX)
Jefferson
Jindal
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jordan
Kagen
Kanjorski
Kaptur
Keller
Kennedy
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Klein (FL)
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lucas
Lungren, Daniel E.
Lynch
Mack
Mahoney (FL)
Maloney (NY)
Manzullo
Marchant
Marshall
Matheson
Matsui
McCarthy (CA)
McCarthy (NY)
McCaul (TX)
McCollum (MN)
McCotter
McCrery
McGovern
McHenry
McHugh
McIntyre
McKeon
McNerney
Meehan
Meek (FL)
Meeks (NY)
Melancon
Mica
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Mitchell
Mollohan
Moore (KS)
Moran (KS)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Neugebauer
Nunes
Oberstar
Obey
Ortiz
Pallone
Pascrell
Pastor
Payne
Pearce
Pence
Perlmutter
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pomeroy
Porter
Price (GA)
Price (NC)
Pryce (OH)
Putnam
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reichert
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Salazar
Sali
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schmidt
Schwartz
Scott (GA)
Scott (VA)
Sensenbrenner
Sessions
Sestak
Shadegg
Shea-Porter
Sherman
Shimkus
Shuler
Shuster
Simpson
Sires
Skelton
Slaughter
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Space
Spratt
Stearns
Stupak
Sullivan
Sutton
Tancredo
Tanner
Tauscher
Taylor
Terry
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Walberg
Walden (OR)
Walsh (NY)
Walz (MN)
Wamp
Wasserman Schultz
Waxman
Weiner
Welch (VT)
Weldon (FL)
Weller
Westmoreland
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (OH)
Wilson (SC)
Wolf
Wu
Wynn
Yarmuth
Young (AK)
Young (FL)

NOES—27

Baldwin
Blumenauer
Capuano
Conyers
Delahunt
Duncan
Ellison
Frank (MA)
Jackson (IL)
Kucinich
Lee
Lewis (GA)
Markey
McDermott
McNulty
Michaud
Miller, George
Moore (WI)
Olver
Paul
Serrano
Stark
Tierney
Waters
Watson
Watt
Woolsey

NOT VOTING—8

Baird
Cubin
Davis, Jo Ann
Engel
Harman
Jones (OH)
McMorris Rodgers
Shays

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised 2 minutes remaining in this vote.

□ 1248

Ms. WATSON changed her vote from ''aye'' to ''no.''

So the bill was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: ''A bill to authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.''.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 1427, FEDERAL HOUSING FINANCE REFORM ACT OF 2007

The SPEAKER pro tempore. The unfinished business is the vote on adoption of House Resolution 404, on which the yeas and nays were ordered.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 223, nays 186, not voting 23, as follows:

[Roll No. 374]

YEAS—223

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baker
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Giffords
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Hastings (FL)
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Jones (NC)
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Matheson
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Renzi
Reyes
Rodriguez
Ross
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NAYS—186

Aderholt
Akin
Alexander
Bachmann
Bachus
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw

Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Inglis (SC)
Issa
Jindal
Johnson (IL)
Johnson, Sam
Jordan
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Latham
LaTourette
Lewis (CA)
Lewis (KY)
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—23

Baird
Braley (IA)
Capito
Cubin
Davis, Jo Ann
Emanuel
Engel
Franks (AZ)
Harman
Hunter
Jones (OH)
Keller
Linder
Marshall
Matsui
McMorris Rodgers
Melancon
Rothman
Shays
Stark
Sullivan
Tancredo
Weldon (FL)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are reminded they have 2 minutes remaining to record their votes.

□ 1254

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 1585, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2008

Mr. SKELTON. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 1585, the Clerk be authorized to correct section numbers, punctuation, cross-references, and the table of contents, and to make such other technical and conforming changes as may be necessary to reflect the actions of the House in amending the bill, and that the Clerk be authorized to make additional technical corrections, which are at the desk.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PROVIDING FOR CONSIDERATION OF CONFERENCE REPORT ON S. CON. RES. 21, CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2008

Ms. SUTTON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 409 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 409

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the concurrent resolution (S. Con. Res. 21) setting forth the congressional budget for the United States Government for fiscal year 2008 and including the appropriate budgetary levels for fiscal years 2007 and 2009 through 2012. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read. The conference report shall be debatable for one hour equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget.

The SPEAKER pro tempore. The gentlewoman from Ohio (Ms. SUTTON) is recognized for 1 hour.

Ms. SUTTON. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. SESSIONS). All time yielded during consideration of the rule is for debate only.

GENERAL LEAVE

Ms. SUTTON. Mr. Speaker, I ask unanimous consent that all Members be given 5 legislative days in which to revise and extend their remarks on House Resolution 409.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Ms. SUTTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the Clerk just described, House Resolution 409 provides for consideration of the conference report for S. Con. Res. 21, the fiscal year 2008 concurrent budget resolution.

The rule waives all points of order against the conference report and against its consideration and provides that the conference report shall be considered as read.

The rule also provides for 1 hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget.

Mr. Speaker, I said it before and I will say it again: Budgets, more than anything else this government produces are moral documents. For this reason, I am proud to report that this Democratic budget is a victory for our working families and our communities. It is a budget that embodies the highest ideals of our government.

The fiscal path set by past Congresses was unsustainable, and it put the economic future of our children and grandchildren at risk. But we are charting a new path, a path that is fiscally responsible and in line with the needs and the priorities of the American people.

Our budget reverses years of reckless Republican mismanagement, and restores fiscal responsibility to our government. The $5.6 trillion in surpluses projected at the beginning of the Bush administration have disappeared, and have sadly been replaced by a national debt that was swelled to an estimated $9 trillion.

This Democratic budget, in contrast to that reckless spending, reaches balance by 2012 and strictly adheres to the pay-as-you-go principle. And at the same time, it rebalances our priorities to help our communities and those most in need.

Our budget increases funding for jobs and education, essential to my home State of Ohio, which has lost over 200,000 manufacturing jobs since 2001.

Our budget rejects the President's cuts to vital health care programs such as SCHIP, Medicare and Medicaid. In fact, our budget provides for a significant increase in SCHIP funding that, in contrast to the President's proposal, will help cover the 242,000 children in Ohio who remain uninsured. And our budget increases funding for our veterans and our veterans health care programs. These brave men and women who have served our Nation so heroically, deserve only the best services and treatment when they return home.

□ 1300

Our budget increases funding for the Community Development Block Grant and the Social Services Block Grant, and it saves the Community Services Block Grant, which the President completely zeroed out.

I'm especially proud to have fought for these increases because almost 100,000 people in my congressional district alone have experienced the benefits of the CDBG funding.

This budget provides a new direction for our Nation, and let me be clear, Mr. Speaker, no matter what may be said by those on the other side of the aisle, this budget does not call for a single cent in tax increases. Let me repeat, no matter what may be said by those on the other side of the aisle, this budget does not call for a single cent in tax increases.

We have also ensured that no additional taxpayers will be ensnared by the Alternative Minimum Tax in 2007 and have provided a reserve fund for a permanent fix.

For three of the last 5-years, the Federal Government has had to operate without a budget resolution because the past Congresses failed to pass one, which is why it is critical that we adopt the resolution before us today. It is a budget that reaches balance in 5 years and restores fiscal responsibility through PAYGO rules. We do all this while keeping our priorities in line

with the needs and priorities of the people we have been elected to serve.

As a moral document that reflects the priority of our Nation, I believe we have crafted a strong budget, and I'm proud to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume, and I thank the gentlewoman from Ohio (Ms. SUTTON) for yielding me the time, the gentlewoman from Ohio, my friend on the Rules Committee.

Mr. Speaker, I rise today in strong opposition to this rule and to the outrageous tax increase conference report that the Democrat majority is bringing to the House floor today.

Mr. Speaker, once again, we will reiterate, the Democrat Party says it's not a tax increase, but if it's not a tax increase, then it's several hundred billion dollars more worth of spending. It's one or the other, because what we see here today is exactly that. They are going to give us the largest single tax increase in the history of this country, and even though they say it's not a tax increase, then it's going to be an outrageous spending spree because they intend to spend more money or have more taxation, and that's why we're opposed to this bill.

I wish I could report to my colleagues that the majority Democrats had seen the downside of their tax-and-spend ways since the House last considered the budget in March, but on the positive side this budget does contain a 1 year Alternative Minimum Tax patch which prevents over 20 million middle class Americans from being slammed by this tax.

And this tax in this budget also represents the largest tax increase in history, not the first anyway, but I'm sorry to report that it's about as good as it gets from here because the massive and irresponsible tax increase included in the House budget would still be the second largest in American history, weighing in at least $217 billion over the next 5 years.

It also contains a trigger that could nearly double it by including increases in taxes in marginal rates, capital gains and dividend taxes, among other tax relief that was provided previously by the Republican majority.

As further evidence that the Democrats continue to ignore their campaign trail promises to demonstrate fiscal discipline, the additional spending envisioned by this plan will trigger an automatic tax hike that will affect every single taxpaying American.

This means that as Democrats continue to implement their true tax-and-spend agenda, important middle class tax relief provisions passed by the Republican majorities of the past, such as the marriage penalty and the child tax credit, will shrink or disappear, raising the Democrats' tax increase right back to the original House-passed level of $400 billion, or restoring it to its historic infamy, which it would truly be, as the largest tax increase in American history.

And if this insatiable appetite for taxing were not enough, Democrats leave themselves enough room in this budget to raise taxes even further to pay for more than $190 million of additional, unfunded spending promises.

This budget also promises and provides for a massive new spending spree by increasing nondefense appropriations by $22 billion over 2007 levels. This is in addition to the $26 billion that they have already proposed to spend outside the normal appropriations process through the omnibus and supplemental legislation that they have forced through the House.

This conference report abandons the emergency set-aside fund included in last year's budget and opens the way for unlimited future spending by dropping any limitation on what can be considered emergency spending. But it has new funds for peanut farmers and spinach growers, so I guess that's a good thing.

But in a surprising bit of consistency, the Democrats do hold true to their pay-for rules and allow the 23 shell reserve funds to spend an additional $190 billion, as soon as appropriate because these will be tax increases that they intend to identify and then pay for.

This irresponsible budget continues to ignore the brewing entitlement crisis and puts off any major reform for at least another 5 years. This is despite the fact that around 77 million baby boomers will be retiring in the near future and will begin collecting Social Security, Medicare and Medicaid. Funding this new spending represents the greatest economic challenge of our era, and it is a challenge that the Democrat budget has chosen to completely ignore while going on their own spending spree everywhere else.

And what's worse, this budget completely shirks its oversight responsibility to root out waste, fraud and abuse in Federal spending by providing only $750 million of reconciliation spending out of an $8.5 trillion Federal budget. This is the legislative equivalent of checking under the seat cushions to pay the Federal Government's rent, and I believe, for one, that the American people deserve better.

Finally, Mr. Speaker, despite these massive tax increases, the Democrats fail to provide a surplus large enough to halt the raid on Social Security, directly contradicting their previous campaign trail promises to do precisely that. This is something that the Republican budget provided a surplus large enough to do starting in the next 5 years, and it did so by controlling, among other things, spending, not raising taxes.

Mr. Speaker, I believe the voters watching this debate on C–SPAN can understand what these tax increases will mean for our economy and for our ability to compete globally. I think that they can see through this charade, and I know that they deserve better than this massive tax increase and spending spree that is on their dime and against the future of our children.

I urge my colleagues to reject this rule and the underlying tax increase.

Mr. Speaker, I reserve the balance of my time.

Ms. SUTTON. Madam Speaker, I yield 4 minutes to the distinguished gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Speaker, I appreciate the gentlewoman's permission to speak on this bill because I am pleased, as having joined with her as a member of the Budget Committee, to embrace a new direction in terms of the Democratic management of the budget.

I have been in this Chamber for the last 11 years and watched Republican performance fall short of what Republican promises were made. We have watched people who are preaching austerity fall short time after time after time, record deficits, coupled with tax benefits concentrated for those who need it the least and truly Draconian budget cuts.

We have watched, in a particular that I have specialized in in terms of the environment, the natural resource funding, the Function 300, has been cut 16 percent, and anybody who's been in our national parks has a chance to see the consequences. There have been lost conservation opportunities and Superfund cleanup has languished.

I am pleased that we have a budget framework that focuses on tax relief for those who need it the most, and there will be extended obviously those areas where there is broad bipartisan consensus dealing with the lowest income tax brackets, protection of family, marriage benefit, but the Democrats will be focusing on the tax tsunami that is bearing down on the American public, and that's the Alternative Minimum Tax which once was supposed to be limited to the wealthiest of Americans and now has morphed into a tax on middle America.

It's not the hedge fund managers that are going to be paying it, but every middle class two-income family with children is going to be threatened with this if we don't act, and that's what we have focused on.

Last but not least, we have rejected further Draconian budget cuts. They were offered up here on the floor, rejected, because people didn't want to further erode environmental protections, erode educational benefits, erode benefits for our veterans.

Instead, you have a budget that is on a path towards balance, tax relief for those who need it most, and being able to focus on critically neglected programs in the past.

Anybody who wants to look at the difference can look at what we have supported with what the Republicans have failed to deliver over the last 6 years when they controlled everything.

I appreciate the rule that's brought forward, look forward to its passage

and the passage of this ultimate legislation.

Mr. SESSIONS. Mr. Speaker, I yield 6 minutes to the gentleman from Wisconsin (Mr. RYAN), the ranking member.

Mr. RYAN of Wisconsin. Mr. Speaker, I thank the gentleman for yielding.

I'd like to get into this tax issue. I think we just heard this, there's no tax increase in this budget. You're going to hear that claim over and over and over.

The last speaker just mentioned that they are preserving some tax relief for some people, marriage penalty, for child tax credit, the 10 percent bracket. What they mean, they're saying, they're acknowledging, I'll give them credit on the face of it, they are going to preserve some tax relief and prevent those tax increases from coming.

What that means is they are going to let all these other tax cuts expire. More importantly, the fact is they are banking on the fact, they are requiring all those other tax cuts to expire and all those taxes to increase.

Numbers don't lie, Mr. Speaker, and what a budget is is basically a page full of numbers, and the numbers don't lie.

This chart shows you how it works. The lower line, the green line, is the line that our budget used, which assumes and requires the extension of all the tax cuts, the per child tax credit, the income tax rates, the abolishment of the death tax, cap gains, dividends, all tax cuts. The dotted red line is what the Democrats are using in their budget, and that line says they're going to raise all those taxes, marginal rates, across the board, except we hope not to raise the child tax credit tax or the marriage penalty tax or the 10 percent bracket. And we're putting a trigger in the law, and I call this the trigger tax, and that's the red line, the solid red line. And that is in the year 2010, if the Treasury Department says the surplus will be big enough in 2012 that we the government can afford tax cuts for some people, these three tax cuts, then they will have their tax cuts.

But here's the vicious cycle that we're going into and the vicious cycle is this. Their budget starts with a new $24 billion spending spree just next year in domestic spending. Then they have a $217 billion tax increase in their budget. Then they have 23 promises, 23 wish lists, 23 reserve funds that amount to a call to spend another $190 billion.

□ 1315

They are going to have to raise taxes to pay for all of that. That's going to have the fact that there is no entitlement reforms. What their budget says is, tax more, spend more; tax more, spend more. Then come 2010, when those surpluses don't materialize, because we have done all this spending, they won't even get those three tax cuts that they want to extend, and this budget will go from having the second largest tax increase in American history to having the largest tax increase in American history.

Let's look at what the true intention of this budget was when it passed the House just a month ago. The budget that passed the House a month ago had a $392.5 billion tax increase in it. All the 2001 and 2003 tax cuts that got us out of recession, that created 7.6 million new jobs, that gave us 3 years of double digit revenue growth, they wanted to get rid of it.

Then in conference with the other body, with the Senate, they agreed to the Senate to say, okay, we won't raise every one of these taxes, we would like to preserve three of those tax cuts, but raise all the rest. So they have a $217 billion tax increase in this budget.

But that's not even enough, because their trigger tax will say, if they don't spend as much money now as they are saying now they want to spend, then maybe the taxpayer will get some of those tax benefits. But if they don't, then we are back to a $400 billion tax increase.

The point is this, this is a vicious cycle of tax taxing and spending. The biggest problem with this budget is not what it includes, it's what it doesn't include. It doesn't include any spending control at all. There is no control on spending anywhere in the government, at all, anywhere, no control, no reform of our entitlement programs, even though witness after witness after witness, Democrats and Republicans, the left and right came to Congress and told us, you guys in Congress better get a handle on entitlements. You better get a handle on the fact that next year the baby boomers start retiring, and we are not ready for them. They say for 5 years let's do nothing, but let's just spend more money.

The worst thing we could do is put this budget on a trajectory of more spending and more taxes. What they will do, they will compromise the economic growth we have had over the last 3 years. They will compromise the recipe for success that have given us 3 years of double-digit revenue growth, 7.6 million new jobs.

To tie it all up, they came into the majority 5 months ago declaring new fiscal rules, more fiscal security, PAYGO, pay-as-you-go principle. So what are they doing in this budget? They are getting rid of PAYGO. In this budget, they are turning their PAYGO rules upside down.

This budget actually revises and turns upside down their entire PAYGO principle. The idea that they came in the majority just 5 months ago saying well, we will pay as we go, well, they are violating with this budget, into itself.

The last final point, which I think is really a shame, because 2 weeks ago we had a vote here in the House, 364 Members of Congress, Democrats and Republicans said, let's stop the raid of the Social Security trust fund once and for all. Let's stop that. That's what we said. We agreed that this budget should not raid Social Security. Both parties are responsible for this.

I am not saying it's the Democrats' fault, it's the Republicans' also. But what does this budget do? It raises the Social Security trust fund. Every year that this budget has a proposal, they are raiding the Social Security trust fund every year, even though 2 weeks ago 364 out of 435 of us said let's stop doing that. They turned around and said, and they are brining us a budget that continues to raid the Social Security trust fund. That's wrong. Both parties have been responsible for it. Both parties should fix it.

This budget should be defeated.

Ms. SUTTON. Mr. Speaker, I would inquire of the gentleman from Texas if he has any remaining speakers. I am the last speaker on this side.

Mr. SESSIONS. Mr. Speaker, as a matter of fact, I do have an additional speaker.

Ms. SUTTON. Mr. Speaker, I reserve the balance of my time.

Mr. SESSIONS. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas (Mr. MORAN).

Mr. MORAN of Kansas. I thank the gentleman for yielding.

Mr. Speaker, I appreciate the opportunity to be on the House floor today to raise a significant concern I have with the budget proposal that will be before the House of Representatives this week before its final passage.

At the moment, as we speak here on the House floor, Republican and Democrat members of the House Agriculture Committee are gathered in the House Agriculture Committee room to talk about a plan for a new 2002 farm bill. As we gather together, it's a wonderful thing that those of us who care about the farmers and ranchers of the country, who care about the environmental and conservation needs, who care about the food and nutrition needs of Americans, have decided we want to craft a farm bill together. We want to work side-by-side to reach the right priorities within the farm bill.

The problem is the budget priorities established under this budget are inadequate to provide a safety net for the farmers of America. There is a ruse going on here. The budget provides for a $20 billion reserve fund that the farm bill can access in the process of developing a new farm bill, but only if we cut spending someplace else, or we raise taxes.

So we are sitting in the Agriculture Committee trying to determine how do we meet the needs of the agriculture producers and the consumers of America, how do we meet the land and environmental and conservation needs of the people of our cities and our countryside, and we are going to try to determine that in a vacuum that suggests there is actually $20 billion in the budget that's not there.

It is simply a gimmick to allow us to try to write a farm bill to appeal to all the variety of interests that care about the outcome of this farm bill debate. But the money is not available.

For too long we have had the gimmicks in the budgetary process. To me,

this is one of the biggest I have seen in my time in Congress in which we pretend there is a fund to draft farm bill legislation.

The farmers of America, certainly the farmers of Kansas, struggle today. We are in perhaps the beginning of an end of a 6-year drought. Commodity prices are higher. The last farm bill, 2002 farm bill, spent $18 billion less than was expected. But do we get the advantage of that in agriculture spending? The answer is no. It's taken away from us because commodity prices at the moment are higher than they were. But we know, in agriculture, we know the laws of supply and demand and economic rules that govern our economy, that the result of higher commodity prices is lower commodity prices.

So as we draft a farm bill, we are going to pretend there's money there to meet the safety net needs of farmers when it's not there. Commodity prices will be lower. That's a natural result of higher commodity prices.

Conservation environmental needs will be greater. Food stamps and nutrition programs will need to be funded. Yet, this budget fails to meet those needs. Even the administration's proposal had a better offer for American agriculture than the Democrat-passed budget on the House floor today.

Finally, Mr. Speaker, there is talk about higher commodity prices for our farmers, but very few people talk about the purpose of the farm bill, which is to provide a safety net when the cost of production to produce the crop is higher than the commodity price that the farmer receives. Yes, commodity prices are higher this year than they were last year or the year before, but let me remind people of this body what has happened to the input costs that a farmer, in fact, all Americans, face.

Agriculture is an energy dependent business, with the increasing cost of fuel, fertilizer and natural gas, the price, the cost of producing agricultural commodities in this country has skyrocketed since the 2002 farm bill. Yet the budget that we are presented with today will allow us to do less for farmers, not more.

I rise just to raise serious objection to the budget, and to make my colleagues aware, as we work together in a bipartisan fashion in the Agriculture Committee, to craft a farm bill, the parameters that have been laid out by the budget make that process almost impossible to accomplish.

I thank the gentleman from Texas for yielding me the time. Again, I rise to oppose this budget and its failure to meet the agricultural, environmental and food safety needs of Americans.

Ms. SUTTON. Has the gentleman had all of his people speak?

Mr. SESSIONS. I thank the inquiry from the gentlewoman. I will assume that the gentlewoman is still going to hold her time with no additional speakers?

Ms. SUTTON. Mr. Speaker, I reserve the balance of my time.

Mr. SESSIONS. Mr. Speaker, I yield 3 minutes to the gentleman from New Mexico (Mr. PEARCE).

Mr. PEARCE. I thank the gentleman from Texas for yielding.

It's an interesting discussion that we have here about taxation policy. As you know, this budget is going to increase the taxes to the American consumer more than any single time in our history.

But why should that matter? Why is that important? I will tell you that the Governor of New Mexico, Governor Bill Richardson, a staunch Democrat said it best, when he is passing tax increases for New Mexico, tax cuts create jobs. He said Democrats should get over it. They should understand the economic principle. If tax cuts create jobs, then the reverse is true, that tax increases are going to outsource jobs.

So what we have here is one of the largest outsourcing of jobs in American history.

Now, if you would like an example of it, you could take a look at Irish miracle. We are all familiar with an Irish economy that was slugging along, so what they did is they cut taxes to their internal companies. If you are internal, you paid like an 8 percent or maybe a 10 percent tax. If you were an external company, maybe someone outside of Ireland, they still paid a 36 percent tax. Their economy began to boom.

At that point the European Union said, you know, you Irish people have got it wrong. You must change the tax structure. We are not going to listen to this. We are not going to allow for it.

The Irish, being the Irish, looked at it and said, yes, you are right. Our tax structure is wrong. So they lowered the taxes to all the external companies. They did increase to 12 percent their internal companies, lowered everyone to 12 percent, and that boom continued tremendously.

New Mexico had a boom after we began to cut taxes. The United States government, people would ask me, why did we cut taxes in a period of deficit spending? We cut taxes to grow the economy. It has worked, and over the last 3 or 4 years we have created over 7 million jobs in this economy, which has been spurred on by tax cuts.

So what our friends on the other side of the aisle are doing is it does not matter about the health of the economy. It does not matter about the jobs that we are going to outsource. We are going to tax people more in this country.

That's the fundamental difference between Republicans, Democrats, and I would bring that to the attention of our audience today and ask you to oppose the Democrat budget that increases taxes more than any other budget in American history.

Ms. SUTTON. Mr. Speaker, I reserve the balance of my time.

Mr. SESSIONS. Mr. Speaker, I will be urging my colleagues to defeat the previous question so that I may offer an amendment to the rule, which will stop this Chamber from hiding behind a cheap procedural maneuver invented by former Democrat Majority Leader Dick Gephardt. This rule allows Members to duck the responsibility of taking a vote on raising a limit on a public debt, a painful but necessary exercise of this Chamber's legislative responsibilities.

Because of this rule invented by Democrats, Members who vote for this underlying conference report will also be recorded as voting to raise the public debt. Members need to be aware of this. They need to know exactly what they are voting for.

For a long time, Members on both sides of the aisle have been appalled by this practice. Members of growths as ideologically diverse as the RSC, Blue Dogs and the New Democrat Coalition alike have called for its repeal. It's time for members of the Blue Dogs and New Democrat Coalition to demonstrate the courage of their convictions and end this bait-and-switch practice.

Mr. Speaker, I ask unanimous consent to insert the text of my amendment and extraneous material just prior to the vote on the previous question.

The SPEAKER pro tempore (Mr. PASTOR). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SESSIONS. Mr. Speaker, what we are debating here today is the largest tax increase that will take place in American history. As the Republican majority has done for a number of years, we recognize that America needs to be more competitive with the world in cutting taxes, making sure that the budgets, very clearly, help protect this country, help protect the men and women of the United States military. They are doing their daily job in trying to not only protect this country, but to defeat terrorists all around the world.

Today we have an opportunity to stand very clearly, talking about what a budget does. We have heard it's a moral piece of paper. It defines very clearly about what someone's priorities are. Well, we know what those priorities are. They are tax and spend.

Mr. Speaker, I yield 4 minutes to the gentleman from North Carolina (Mr. MCHENRY).

□ 1330

Mr. MCHENRY. Mr. Speaker, I appreciate my colleague from Texas (Mr. SESSIONS) yielding time to me.

As a member of the Budget Committee, we worked very hard to craft a budget that was reasonable in previous Congresses and in this Congress as well. And I want to congratulate the ranking member on the Budget Committee, Mr. RYAN from Wisconsin, on his hard work, and I also want to congratulate my colleague to the south, in South Carolina, for his leadership as chairman of the Budget Committee. But I respectfully disagree on this budget, and I will tell you why. The

Democrats are poised to pass a $217 billion tax increase on the American people. This is the second largest tax increase in American history.

A quick history lesson here. You might be wondering who holds the record for the largest tax increase. A Democrat Congress and President Bill Clinton, and they raised taxes by $241 billion in 1993, one year before the 1994 Republican revolution.

Back to the present day, though. The American people should know, when Democrats spend too much and future surpluses fail to materialize, a second tax hike triggers automatically. Therefore, the $217 billion tax hike could nearly double to $400 billion. In other words, the Democrats will eclipse Bill Clinton's record for the largest tax increase in American history. It is outrageous, and the American people need to know that. The Democrats said that they would raise taxes, and they actually are doing it, and as part of this $2.9 trillion Federal budget, again, the largest spending bill ever passed by Congress. So it is not just the largest tax increase, but it is the largest spending piece as well. It shows their priorities, that they actually want to take more from the American people.

Their tired old philosophy ignores the fact that tax receipts this month were $70 billion above the same month in 2006. Tax cuts have worked. In fact, this year government revenue is the highest it has ever been in the history of our country. Let me repeat that. The revenue to the Federal Government is the largest it has ever been in the history of our country. And, in fact, there is more government revenue coming in to our Federal Treasury this year than any time in the Earth's history for any government, period.

Yet, it is not enough for the Democrats. They want to spend more, they want to tax more, they want every American to pay more in taxes, and they are going to do it through this budget.

And that is why, Mr. Speaker, I think this tax and spend, tax and spend, tax and spend policy of the Democrat Party is the wrong thing for our economy, it is the wrong thing for our communities, it is the wrong thing for small business people who will be paying more taxes. It is wrong for the single mother who is trying to make ends meet, it is wrong for the American people and our economy. And that is why we should vote down this rule and vote down this budget.

Mr. SESSIONS. Mr. Speaker, the Republican majority a few years ago heard the American people loud and clear that they wanted America to be competitive with the world. We were tired of losing jobs overseas. That is not happening. It has not happened in a couple years. As a matter of fact, there are signs all over this country that say ''workers needed.'' We need more workers in this country. And that comes as a result of the tax cuts that were offered to allow American business, corporations become competitive with the world, an opportunity to attract new capital, to retool our companies here in this country to give us the newest tools and the tool kits that are available.

We have a strong and vibrant economy. We have a strong and vibrant economy because we have people who have money in their own pockets creating jobs. We have some 5 million new jobs just in the last few years, 7 million since 2001, that have been created.

This economy is doing the right thing. It is giving the Americans their own dreams, their dreams to not only have their own homes, the highest level ever of people who own their own homes, but it is also giving America to save for our future because our stock market is back.

Just a few years ago, after 9/11, everybody was worried about their retirement. Big worries. At that time, what did we hear from the Democrat Party? Raise taxes. But that is not what the Republican majority or President Bush did. We cut taxes; we grew our economy. We have a strong and great economy today.

The Republican Party stands forth today on this day in Washington, D.C., to say we will vote against the largest or second largest tax increase in the history of the United States of America.

This budget that comes from the Democrat Party will raise taxes and raise spending. The Republican Party disagrees with that. The Republican Party disagrees with saying that we will have taxpayers who will be without jobs in this country, because we will take away the investment and the opportunity that goes forth to make investment possible to where jobs are available. The Republican Party stands today and says we are opposed to this new bill because of what it does by having all sorts of special accounts, just spending opportunities that sit out there in the future, undefined, but ready to spend money if the money comes in.

We believe that we should have had more responsibility, as we have tried to do for years, to do something responsible about Social Security. But we have heard from the Democrats for the last 6 years, there is nothing wrong with Social Security. There is no problem. Mr. Speaker, we disagree with that. Republicans are going to oppose this today. I ask my Members to join me in defeating the previous question.

Mr. Speaker, I yield back the balance of my time.

Ms. SUTTON. Mr. Speaker, I would like to begin my closing remarks by returning us to the painful reality of what we begin with today.

This administration and these past Congresses took a $5.6 trillion surplus and turned it into a $9 trillion debt. This Democratic budget, in contrast, reaches balance by 2012, and strictly adheres to PAYGO rules.

This budget contains not a dollar, not a quarter, not a dime, not a penny of tax increases. And you don't just have to take my word for it. The Concord Coalition says that the budget resolution does not have a tax increase. ''Thus to be clear, the budget resolution does not call for or require a tax increase,'' the Concord Coalition said on March 28. The Center on the Budget and Policy Priorities says the budget resolution does not have a tax increase. ''This claim is incorrect. The House plan does not include a tax increase,'' made on March 28, 2007. The Brookings Institution says, ''The Democratic budget would not raise taxes.'' ''The budget would not raise taxes.'' March 28.

Mr. Speaker, we have made it clear why passing this rule and passing this budget is so important for our Nation, so let me wrap up this debate by highlighting the facts about our budget.

The Democratic budget puts together the broken pieces left to us by the mismanagement of previous Congresses and this administration. Our budget returns fiscal responsibility to Congress, and allocates funding for some of our most important national priorities. Our children, our veterans, and our working families will be provided with the key resources they need and deserve. Our budget protects tax cuts for middle class families, and it does not raise taxes on anyone.

Mr. Speaker, this is the responsible budget that the American people have been calling for, and it deserves our support. I urge a ''yes'' vote on the previous question and on the rule.

The material previously referred to by Mr. SESSIONS is as follows:

AMENDMENT TO H. RES. 409 OFFERED BY REP. SESSIONS OF TEXAS

At the end of the resolution, add the following new section:

SEC. 2. Rule XXVII shall not apply with respect to the adoption by the Congress of the conference report to accompany the concurrent resolution (S. Con. Res. 21) setting forth the congressional budget for the United States Government for fiscal year 2008 and including the appropriate budgetary levels for fiscal years 2007 and 2009 through 2012.

(The information contained herein was provided by Democratic Minority on multiple occasions throughout the 109th Congress.)

THE VOTE ON THE PREVIOUS QUESTION: WHAT IT REALLY MEANS

This vote, the vote on whether to order the previous question on a special rule, is not merely a procedural vote. A vote against ordering the previous question is a vote against the Democratic majority agenda and a vote to allow the opposition, at least for the moment, to offer an alternative plan. It is a vote about what the House should be debating.

Mr. Clarence Cannon's Precedents of the House of Representatives, (VI, 308–311) describes the vote on the previous question on the rule as ''a motion to direct or control the consideration of the subject before the House being made by the Member in charge.'' To defeat the previous question is to give the opposition a chance to decide the subject before the House. Cannon cites the Speaker's ruling of January 13, 1920, to the effect that ''the refusal of the House to sustain the demand for the previous question passes the

control of the resolution to the opposition'' in order to offer an amendment. On March 15, 1909, a member of the majority party offered a rule resolution. The House defeated the previous question and a member of the opposition rose to a parliamentary inquiry, asking who was entitled to recognition. Speaker Joseph G. Cannon (R-Illinois) said: ''The previous question having been refused, the gentleman from New York, Mr. Fitzgerald, who had asked the gentleman to yield to him for an amendment, is entitled to the first recognition.''

Because the vote today may look bad for the Democratic majority they will say ''the vote on the previous question is simply a vote on whether to proceed to an immediate vote on adopting the resolution . . . . [and] has no substantive legislative or policy implications whatsoever.'' But that is not what they have always said. Listen to the definition of the previous question used in the Floor Procedures Manual published by the Rules Committee in the 109th Congress, (page 56). Here's how the Rules Committee described the rule using information from Congressional Quarterly's ''American Congressional Dictionary'': ''If the previous question is defeated, control of debate shifts to the leading opposition member (usually the minority Floor Manager) who then manages an hour of debate and may offer a germane amendment to the pending business.''

Deschler's Procedure in the U.S. House of Representatives, the subchapter titled ''Amending Special Rules'' states: ''a refusal to order the previous question on such a rule [a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate.'' (Chapter 21, section 21.2) Section 21.3 continues: Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereon.''

Clearly, the vote on the previous question on a rule does have substantive policy implications. It is one of the only available tools for those who oppose the Democratic majority's agenda and allows those with alternative views the opportunity to offer an alternative Plan.)

Ms. SUTTON. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SESSIONS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for electronic voting, if ordered, on question of adoption of the resolution.

The vote was taken by electronic device, and there were—yeas 224, nays 193, not voting 15, as follows:

[Roll No. 375]

YEAS—224

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baldwin
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emanuel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Giffords
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Hastings (FL)
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NAYS—193

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Issa
Jindal
Johnson (IL)
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Kuhl (NY)
LaHood
Lamborn
Latham
LaTourette
Lewis (CA)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuster
Simpson
Smith (NE)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—15

Baird
Cubin
Davis, Jo Ann
Engel
Harman
Hunter
Inglis (SC)
Jones (OH)
Kaptur
Knollenberg
Lewis (KY)
McMorris Rodgers
Olver
Shays
Smith (NJ)

□ 1402

Mr. YOUNG of Alaska and Ms. GINNY BROWN-WAITE of Florida changed their vote from ''yea'' to ''nay.''

Mr. COSTELLO changed his vote from ''nay'' to ''yea.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SESSIONS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 225, noes 194, not voting 13, as follows:

[Roll No. 376]

AYES—225

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castor

Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Duncan
Edwards
Ellison
Ellsworth
Emanuel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Giffords
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Hastings (FL)
Herseth Sandlin
Higgins
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NOES—194

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Ehlers
Emerson
English (PA)
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hill
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Jindal
Johnson (IL)
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Latham
LaTourette
Lewis (CA)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Tanner
Terry
Thornberry
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—13

Baird
Cubin
Davis, Jo Ann
Engel
Harman
Jones (OH)
Kaptur
Lewis (KY)
McMorris Rodgers
Reynolds
Shays
Tiahrt
Weldon (FL)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised 2 minutes are remaining in this vote.

□ 1409

Mr. MARCHANT changed his vote from ''aye'' to ''no.''

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated against:

Mr. TIAHRT. Mr. Speaker, on rollcall No. 376 I was unavoidably detained. Had I been present, I would have voted "no."

Mr. DUNCAN. Mr. Speaker, I inadvertently voted "aye" on rollcall No. 376, adoption of the rule for the Conf. Rpt. on the FY '08 budget. I would like the RECORD to reflect that I meant to vote "nay."

CONTINUATION OF THE NATIONAL EMERGENCY WITH RESPECT TO BURMA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 110–35)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. I have sent the enclosed notice to the *Federal Register* for publication, stating that the Burma emergency is to continue beyond May 20, 2007.

The crisis between the United States and Burma arising from the actions and policies of the Government of Burma, including its policies of committing large-scale repression of the democratic opposition in Burma, that led to the declaration of a national emergency on May 20, 1997, has not been resolved. These actions and policies are hostile to U.S. interests and pose a continuing unusual and extraordinary threat to the national security and foreign policy of the United States. For this reason, I have determined that it is necessary to continue the national emergency and maintain in force the sanctions against Burma to respond to this threat.

GEORGE W. BUSH.
THE WHITE HOUSE, *May 17, 2007.*

CONFERENCE REPORT ON S. CON. RES. 21, CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2008

Mr. SPRATT. Mr. Speaker, pursuant to House Resolution 409, I call up the conference report on the Senate concurrent resolution (S. Con. Res. 21) setting forth the congressional budget for the United States Government for fiscal year 2008 and including the appropriate budgetary levels for fiscal years 2007 and 2009 through 2012.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore (Mr. POMEROY). Pursuant to House Resolution 409, the conference report is considered read.

(For conference report and statement, see proceedings of the House of May 16, 2007, at page H5071.)

The SPEAKER pro tempore. The gentleman from South Carolina (Mr. SPRATT) and the gentleman from Wisconsin (Mr. RYAN) each will control 30 minutes.

The Chair recognizes the gentleman from South Carolina.

Mr. SPRATT. Mr. Speaker, I yield myself such time as I may consume.

This budget resolution which we present today did not come easily. It comes from months of hard work, hearings, and negotiations. The end product is a good budget, not perfect, I will admit. Not complete but worthy of support. Indeed, it requires our support if we do not want the process to fail again, as it did last year when no concurrent resolution was passed and only two of 11 appropriation bills were enacted.

This budget moves us to balance over the next 5 years. Along the way, it posts smaller deficits than the President's budget. It adheres to the pay-as-you-go principle and contains no new

mandatory spending that is not paid for, and it funds ''program integrity initiatives'' to root out wasteful spending, fraud, and tax evasion.

Within this framework, our budget does more for veterans' health care, more for children's health care, and more for education. Here in a nutshell are the basics of this budget:

This budget comes to balance in 5 years and runs a surplus of $41 billion in the year 2012. Contrast that with the President's budget, which remains always in deficit. This budget allocates $954 billion to discretionary spending, or about $75 billion more than this year, of which about $50 billion is for national defense. This total includes $450 billion for nondefense discretionary, or about $23 billion more than this year.

This budget not only abides by the PAYGO principles, it extends them, establishing a Senate PAYGO rule and calling for statutory PAYGO as well.

The concurrent resolution before us, like the House resolution, sets defense spending at levels the President requested, though it targets resources to the troops and conventional forces. It provides more for homeland security than the administration requested, and it funds the recommendations of the 9/11 Commission. So it is strong on defense, internal and external.

This budget does all of the above, and I would emphasize this, it does all of the above without raising taxes. The tax cuts enacted in 2001 and 2003 all remain in force, unaffected in any way by this resolution. As originally written and enacted, most of the tax cuts expire on December 31, 2010. In our budget resolution, we separated out the middle income tax cuts and made it the policy of our resolution to extend those tax cuts when they expire.

□ 1415

In this concurrent resolution, we go even further. We install a trigger that facilitates the extension of these tax cuts so long as the House waives its PAYGO rule and so long as the tax cuts extended do not exceed 80 percent of the surplus projected by OMB for the year 2012.

This budget's basic objective is to get back to balance. That is the bottom line. In such a budget, we can't have everything we want, but we do believe that some promises should be kept above all others, for example, the promises we've made to our veterans. This resolution increases funding for veterans health care in 2008 by $6.7 billion, 18.3 percent above the current year.

We also do not believe that children's health care and education should be sidetracked while we seek to work out ways to balance the budget. This budget accommodates an increase of $50 billion to expand the Childrens Health Insurance Program, so-called SCHIP, and cover millions of uninsured children. This budget also provides $4.6 billion over current services for education, job training and employment services. That includes more money for No Child Left Behind, for special education and student loans.

Lacking any other arguments, our friends from across the aisle, our Republican adversaries, will claim that this budget resolution raises taxes, as they have repeatedly and wrongly. Let me answer that claim emphatically. This budget does not raise taxes by one penny. Period. Not by one penny.

On the contrary, the 2008 budget resolution accommodates the extension of the middle income tax cuts, pays for a 1-year patch to prevent the AMT from coming down on middle income taxpayers, and calls for reform of the AMT, consistent with PAYGO principles, to save middle income taxpayers from this stealthy tax.

This budget is fiscally sound, a solid framework, is balanced from the top line to the bottom, and I urge support for it.

Mr. Speaker, I reserve the balance of my time.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself such time as I may consume.

I would like to start off by congratulating Chairman SPRATT and the majority staff on the Budget Committee for reaching this point in the budget process. This is not easy. And they are to be commended for getting the budget up to this point.

I have long believed that the budget resolution is an important statement of congressional policy and a critical act of governing. So in a sense, I am glad to see this conference report here today. And the gentleman from South Carolina deserves credit for that.

That said, the choices in this budget, or some would argue, the complete lack thereof, represents an enormous missed opportunity, an enormous missed bipartisan opportunity.

The Democrats' fiscal year 2008 budget sets off a vicious cycle, Mr. Speaker. Higher taxes fuel higher spending and greater spending demand. In order to meet this appetite for greater spending, we are going to have to raise taxes again and again and again. Let's take a look at how this will work.

First, the linchpin of this budget, and numbers do not lie, check with the Congressional Budget Office, its only one binding fiscal policy is the same one that Democrats have been bringing to the floor time and again, ''raise taxes.'' This budget will raise taxes on the American economy and American workers by at least $217 billion. That is the second largest tax increase in American history. And to be clear, their $217 billion tax increase is just an opening bid. It will last only until the majority can raise the ante.

As you may recall, Mr. Speaker, the House Democrats wanted and included in their budget a $400 billion tax increase. That would have been the largest in history. But the Senate made it clear by a vote of 97–1 that they would not accept the House's number. So from this conference report, it would initially appear that the House Democrats receded to the Senate's smaller tax number, the smaller tax increase, that's according to the CBO, that is, until you take a closer look at some of the procedures and gimmicks included in this report.

First let's look at the trigger. There is this so-called tax trigger. In short, this trigger will provide the majority with an immense loophole allowing them to renege on their promise to protect certain high-profile tax benefits, and they can do it without leaving any fingerprints because it would all be automatic. All the Democrats have to do, believe it or not, is spend too much money, and that will set off the trigger and raise those taxes.

Mr. Speaker, they are saying in this budget they want to extend marriage penalty relief, the child tax credit and the 10 percent bracket. But if they spend too much money, guess what happens automatically? Those tax cuts go away.

Then there is the $190 billion worth of unfunded spending increases promised in this budget's 23 reserve funds. If they actually deliver on these promised 23 wish list reserve funds, that's another tax hike.

Mr. Speaker, even their version of PAYGO, which they touted as proof of their commitment to fiscal discipline, is just a means to make it easier to raise taxes. What happens if they raise mandatory spending, Mr. Speaker? You guessed it. They have to raise taxes to pay for it.

So again, this $217 billion tax hike is just the starting bid. You can expect them to draw from that well again and again and again. Why is this a problem? Why do we have this huge difference of opinion, difference in philosophy of ideology of economic doctrines? Because the enormous tax increases will threaten the economic and fiscal progress our Nation has made these past several years.

As I have said many times before, the tax decreases, the tax cuts we passed in 2001 and 2003 have turned this economy around, it brought us out of recession. It improved job growth, GDP growth. It lowered the unemployment rate. Business investment and the entire market rebounded. And all that growth has led to surging revenues coming into the Federal Treasury. Three years of double digit revenue growth at these lower tax rates. The tax hikes contained in this budget threaten to reverse all of this.

And think of the impact this tax hike will have on the small businesses that it hits. Our small businesses, who are already paying the second highest tax burden in the industrialized world, will be told that they are just not paying enough. In this increasingly global economy, where these companies are struggling to compete with China and India, imposing an even larger tax burden will be crushing. It will severely threaten our ability to compete, and let alone lead, in the global economy.

So what will taxpayers get in return for sending Congress ever higher cuts of their paychecks? Better working, more efficient, less wasteful spending? No. The majority doesn't even pretend they are going to control spending.

There is no control on the existing trajectory of spending we have in this budget. We are only 5 months into this Congress, and at every opportunity the new majority has chosen the path of higher spending. They increased discretionary spending by $6 billion in the omnibus, another $20 billion or so of extraneous spending in the supplemental, and now they're increasing nondefense discretionary appropriations next year by another $23 billion.

For all we've heard about how the Democrats had to clean up the mess the Republicans gave them, their only response to this seems to be spend more and tax more. This formula has never worked for getting control of the budget in the past, and it won't work now. It's also the reverse of what's going on in the rest of the world. Across Europe, governments are moving away from their welfare state, big government tax policies and toward more market-oriented policies. For instance, the latest, most clear example. But here in the States, where we should be leading the tide toward free markets, Democrats are taking us in the other direction.

Finally, I think the biggest failure of this budget is not what it does do, it's what it doesn't do. This budget does nothing to reform entitlement programs, to extend their solvency. We had a parade of witnesses from the left and from the right, Democrat witnesses, Republican witnesses, the Chairman of the Federal Reserve, the OMB Director, the CBO Director, all come to us and say, you've got to get a handle on entitlements. You have to reform the entitlement programs to make them more solvent, to stop this enormous unfunded liability that is hitting American taxpayers.

Even with the Democrats' $400 billion tax increase, they had in the House-passed version, that would quickly outpace revenues, entitlements would swamp us.

So Mr. Speaker, even if we hit a temporary balanced budget, as this might achieve, it will be temporary because you can't raise taxes enough again and again to outpace the trajectory of entitlement spending growth. We will go back into deficits because this budget does nothing to control spending.

So why have the Democrats failed to even address this dire situation? Because as Senate Budget Chairman Senator CONRAD told 60 Minutes, ''It's always easier not to. It's always easier to defer, to kick the can down the road, to avoid making choices.'' ''You know, you get into trouble in politics when you make choices.'' I appreciate that sentiment, but we all know that is not what budgeting is about. Budgeting is about making choices even when they're tough, even when they are not politically popular because that is what we came here to do.

In closing, I believe this budget fails to make any real choices, let alone the right ones. It will impose on American families and businesses at least the second largest tax increase in American history, if not the largest, add immense new government spending, and put off critical entitlement reforms for at least another 5 years. Our House Republican budget proved we can balance the budget without raising taxes and stop the rate on Social Security.

It is my genuine hope that the House will vote today to change this dangerous course and send the Democrat budget back to the drawing board.

With that, Mr. Speaker, I reserve the balance of my time.

Mr. SPRATT. Mr. Speaker, before yielding to the majority leader, let me set the record straight with respect to revenue flows.

If you look in the Congressional Budget Office projections of revenues in the budget, you will see that for the period 2008 through 2012, cumulative revenues are projected to be $15.3 trillion. If you subtract 176 for that to account for the agreement we've made with the Senate, which will facilitate the adoption and extension of the middle income tax cuts adopted between 2001 and 2003, then our number for total revenues, according to CBO is $14.828 trillion. The President's budget, total revenues are $14.826 trillion. We are $14.828 trillion, the President is $14.826 trillion; $2 billion difference. This is the biggest tax increase in history? Give me a break.

And how about the Republican's own revenue stream. You start from the same baseline. They have to use CBO numbers too. $15.3 trillion. Deduct from that $447 billion, which they have in tax cuts during that period of time, the baseline number for them becomes $14.556 trillion. That is a difference of $272 billion over 5 years, less than $50 billion a year over that period of time. This is absurd. This has gone on and on and on, as the speeches claim, and we will refute it every time it's raised today.

Mr. Speaker, I now yield 1 minute to the gentleman from Maryland, the distinguished majority leader.

Mr. HOYER. I thank my friend for yielding.

As my friend from Wisconsin has heard me say so often, I am at once amused, and at the same time deeply disappointed because I have watched an unending series of young, earnest, very bright Republican leaders stand on this floor or stand in the OMB or in the White House, led by David Stockman, and then John Kasich, then Jim Nussle, and now PAUL RYAN, all very able representatives who served in this body, who come before us and assert, with a certitude that is unflappable, that they have the answer to bringing economic well-being to America.

During that 26 years that I have observed those serious, I believe, conscientious young men make that representation, without fail they have presented budgets that have put this country, without exception, every year of their budgets $4.1 trillion further in debt. And then they said in 1993, when we adopted an economic program sent down by President Clinton, ''this is going to destroy our country.'' They called it the largest tax increase in history. They were, of course, not telling the truth. That was not the fact.

In fact, the largest tax increase that has occurred in this country since I have been in Congress, in terms of real dollars, was the Dole-Reagan tax increase in the early 1980s.

So I come before this House to say I hope the American people will understand that the representation we have just heard has been made over and over and over again. And the results of the policies promoted by that rhetoric have been unending and inevitable large deficits. In fact, of course, the revenues are substantially below, as the gentleman knows, the projections that were made.

□ 1430

Mr. Speaker, today the Members of this House can proudly vote for a budget conference report that addresses our Nation's critical needs on national security, education, health care, the environment and many other areas, while also making a 180-degree turn away from the most reckless fiscal policies in the history of our Nation.

My young friend from Wisconsin knows well that spending over the last 6 years was twice the rate of spending in terms of percentage increase under the Clinton years. Twice. Of course, the Republicans controlled the House, the Senate and the presidency, and spending was at twice the rate of growth that it was during the Clinton years.

I urge every Member of this House, on both sides of the aisle, to vote for this responsible Democratic budget conference report. It will be a change from the past, because we will adopt a budget, and I say you are probably even going to adopt appropriations bills, unlike last year.

First and foremost, this Democratic budget provides robust defense spending levels, because our national security is our highest priority. This budget provides more homeland security funding than the Bush administration requested. It funds the 9/11 Commission recommendations, and it increases funding for veterans health care and services by $6.7 billion.

We talk about supporting our troops. If we support our troops, we need to honor our veterans, and we need to honor our veterans with more than just talk. We need to make sure that their health care is provided. This budget does that. In fact, this budget is $3.6 billion more than the President requested. Of course, he requested that before Walter Reed, before the long lines, before the American public was aware of how underfunded veterans health care is.

Furthermore, after 6 years of fiscal irresponsibility, this budget will bring our budget back into balance in 2012. President Reagan, President Bush I and the 7 years of Bush II, never one balanced budget year in those 19 years. During the Clinton administration, 4, half of the budget years had surpluses.

Now, the great falsehood, the great deceit, the great misrepresentation perpetrated by many of our friends on the other side of the aisle is that the budget somehow raises taxes. That is simply and absolutely untrue.

Now, the Republicans pride themselves on not raising taxes. They simply borrow money from the Chinese, the Japanese, the Saudis, the Germans. In fact, they borrowed over $1.2 trillion over the last 6½ years to fund their spending increases.

It is somewhat humorous, I think, that our Republican friends are claiming that this budget raises taxes by failing to extend cuts that the Republicans themselves designed to expire in 2010. By their logic, last year, when the Republicans still controlled both Chambers of this Congress and chose not to extend the taxes, in your budget proposal, remember that, my friends on the other side of the aisle, you did not suggest extending these tax cuts. It is ridiculous.

Don't take it from me, just listen to the Hamilton Project at the Brookings Institution, which yesterday stated, ''The budget conference report would not raise taxes. If anything, the budget resolution assumes that Congress will cut taxes.''

This is true. In fact, Mr. Speaker, the budget accommodates the extension of middle income tax cuts, as the chairman has said, and provides immediate relief for middle income taxpayers affected by the Alternative Minimum Tax. We want to fix the Alternative Minimum Tax. In fact we want to fix it by giving 81 million Americans a tax cut.

In addition, this budget increases funding for Head Start, LIHEAP, accommodates a $50 billion increase to cover millions of uninsured children, and rejects the administration's harmful cuts to environmental programs.

Finally, Mr. Speaker, for our friends on the other side to complain that this budget provides for an increase in the debt ceiling strains credibility. The rule that is in this bill was in your budgets repeatedly.

In just 6 years, this administration and Republican Congress turned a projected budget surplus of $5.6 trillion into an over $3 trillion deficit, an $8.6 trillion turnaround to the red side of the budget on your watch when you controlled all of the levers of this House. And you raised the debt ceiling 4 years in a row.

The new Democratic majorities in this Congress have inherited a fiscal debacle that today, through this conference report, we can begin to address and make right. This is a budget that we can be proud of, and it stands in stark contrast to the extraordinarily irresponsible policies of the last 6 years.

I urge all of my colleagues, vote for fiscal responsibility and a brighter future for our children and for our country. Vote for this Democratic budget.

Mr. RYAN of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. HOYER. I will be glad to yield to my friend from Wisconsin.

Mr. RYAN of Wisconsin. Mr. Speaker, just a point of clarification. I think the gentleman said that our budget did not extend the tax cuts. It did. In fact, it extended all the 2001 and 2003 tax cuts. I just wanted to state that for the record. That is all.

Mr. HOYER. Mr. Speaker, reclaiming my time, I don't have it in front of me, but what your budget did was you assumed that the tax cuts were going to be extended. You did not extend them in your budget legally, which you could have done under the rules. You claim you didn't do it initially because of the rules in the Senate. I think that is accurate.

Mr. RYAN of Wisconsin. Well, I can go back into that, but I think we have belabored the point.

Mr. HOYER. Mr. Speaker, I thank the chairman for his work, I thank him for yielding me the time, and I urge a yes vote on this responsible, effective budget for our country.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself 30 seconds simply to ask a rhetorical question, if the Democrats chose to extend some of the tax cuts in this budget and therefore not all of the others, how is this not a tax increase?

If the Senate said that the Democrat House budget raised taxes and they didn't want to raise them as much and they forced the conference to negotiate to keep some of the tax cuts at bay, how is this not a tax increase? If they are saying they are preserving some of the tax cuts, then by definition they are raising the other taxes.

You can't have it both ways.

Mr. Speaker, I yield 2 minutes to a young, earnest, conscientious Republican leader, the gentleman from Florida (Mr. PUTNAM).

Mr. PUTNAM. Mr. Speaker, I thank the young ranking member for yielding.

Mr. Speaker, unlike the majority leader, protocol does not allow me unlimited time to rebut his numerous inaccuracies, but let me lay out this fact first: The Democratic budget that we will vote on this evening raises taxes. And if you don't believe it, just wait until your tax bill comes due in a couple of years when you are asked to pay more then than you are today. And you will be asked to pay the largest tax increase in American history.

The marriage penalty will be back. The death tax, back. The bracket creep, back. Small businesses paying more than Fortune 100 companies. It will crimp the economy that is robust and strong and creating a record Dow as we speak.

The majority leader said national security is their highest priority. If it is your highest and first priority, why are we now in May with troops running out of funds, running out of resources, and a President begging for a supplemental for men and women who are in harm's way, if national security is your highest priority?

If you care to honor the veterans, then in addition to paying for veterans health care, in addition to dealing with veterans retirement, why are you not similarly honoring those veterans by reforming entitlements, so that when those young veterans come back, that every think tank in this town is in agreement that Social Security and Medicare will be bankrupt before those young veterans are eligible to receive those promised benefits, and you do nothing about it.

Why don't you honor those young veterans, why don't you honor those future generations, those first year teachers, this spring's graduates from high schools and colleges, why don't you honor them by dealing with the crisis that our country faces in Social Security, Medicare and Medicaid consuming the Federal budget? It already makes up over half of Federal expenditures.

This budget raises taxes, skyrockets the spending and does nothing to deal with the generational crisis we face in entitlements. I urge you to defeat this irresponsible document.

Mr. SPRATT. Mr. Speaker, I yield to the gentleman from Texas (Mr. GENE GREEN) for the purpose of making a unanimous consent request.

(Mr. GENE GREEN of Texas asked and was given permission to revise and extend his remarks.)

Mr. GENE GREEN of Texas. Mr. Speaker, I support the conference committee report and thank both the chairman and the Budget Committee for their good work.

Mr. Speaker, I rise today in support of the conference report accompanying the fiscal year 2008 budget resolution. This budget resolution represents a return to fiscal soundness for our country, which has operated without a budget resolution in 3 of the last 5 years. This budget will help our country emerge from a sea of red ink and put us on a path toward a budget surplus in the next 5 years, with a $41 billion surplus projected for 2012.

Key to the fiscal responsibility in this budget is the inclusion of critical budget enforcement provisions known as PAYGO. This budget extends to the Senate the PAYGO rules adopted earlier this year in the House, which ensure that any future tax cuts or increases in mandatory spending are offset elsewhere in the budget. This budget hews to that principle and does not include any new mandatory spending that is not offset.

Mr. Speaker, I also applaud our House and Senate Budget Committee Chairmen for their attention to the domestic needs of this country and the resources this budget dedicates for health care programs and research that have suffered in previous budgets. The conference

report provides a reserve fund of up to $50 billion for the reauthorization of the State Children's Health Insurance Program. As a member of the Energy and Commerce Committee, which is working to reauthorize the SCHIP program, I want to make sure the program is available to the 6 million American children who are currently eligible but not enrolled in the program. The reserve fund in this budget will allow us to expand the program for these children while also maintaining fiscal discipline under PAYGO.

On the discretionary side, the budget resolution includes an additional $20 billion over last year's level for health programs. In years past, worthy health care programs like trauma systems funding, Emergency Medical Services for Children, Health Centers and NIH research funding have been forced to compete for funding that was not sufficient to meet our health care needs. This budget recognizes the importance of adequately funding domestic priorities like health care and education programs that are true investments in our country's future.

I thank our House conferees for their work on this budget resolution and congratulate them on this truly balanced budget, in terms of both the deficit and the needs of the American people.

Mr. SPRATT. I yield 2 minutes to the gentleman from California (Mr. GEORGE MILLER).

(Mr. GEORGE MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. GEORGE MILLER of California. Mr. Speaker, how remarkable and refreshing this budget is. Finally a budget that ends the Republican commitment to endless seas of red ink and deficit spending. Finally a budget that ends the Republicans' commitment to squandering the $5 trillion that they inherited from the Clinton administration.

But more remarkable about this budget is it takes us in a new direction. It takes us in a direction where once again we see ourselves as a country and a national government investing in young people in this country, investing in their education, investing in the effort to make college more affordable for families and students who have to borrow money. That is what this budget does.

With a $9 billion increase over and above the President's budget, for the first time we are able to change the trendlines from reducing the expenditure on behalf of students with disabilities, on behalf of the elementary and secondary education of America's students, on behalf of job training. That is what this money does. This is an investment in the future of our young people. This is an investment in the elementary-secondary education system of young people in this country. This is an investment in reducing the cost of college.

That is a markedly different direction than we have been going over the last 6 years, where we just headed headlong into seas of red ink, where it overwhelmed everything else the government was about to do, where it started taking its toll on the education budgets of this country, where we denied the opportunities for people to have an affordable student loan, where we now see in excess of a quarter of a million young people deciding they won't be able to borrow the money, they won't be able to pay it back, and so they have decided maybe they will have to postpone or defer a college education permanently.

This budget also gives us the opportunity to address in a comprehensive fashion the reducing of the cost of college, to remake the student loan program, to get rid of these mindless, endless subsidies that the previous budgets have contained for the lenders, subsidies that fueled the corruption that we have seen in the program.

This is a remarkably refreshing, exciting budget for this country, for its young people and for its future.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield 1½ minutes to the ranking member of the Education and Labor Committee, the gentleman from California (Mr. MCKEON).

Mr. MCKEON. Mr. Speaker, I thank the gentleman for yielding and I thank him for his work on this budget.

I rise in opposition to the second largest tax hike in American history. This agreement before us includes a tax hike of at least $217 billion by fiscal year 2012. Worse yet, the budget includes a troubling tax hike trigger that would automatically raise taxes even higher if surpluses do not materialize due to unrestrained Federal spending, a habit I don't expect Congressional Democrats will break any time soon.

This agreement also includes a reconciliation instruction for the Education and Labor Committee. I have supported reconciliation as a means to reduce the deficit in the past, in just the last Congress in fact. But clearly deficit reduction is not a priority in this budget. The fact that our committee is the only panel with this instruction reflects this. Instead, I am afraid this instruction might leave the door open for the majority to abuse the process in order to give Washington bureaucrats a greater stranglehold on student loans than ever before through a greater emphasis on the government-run direct loan program.

Let me be clear: I stand ready to strengthen Federal student aid programs by promoting competition among and within the loan programs while providing additional funds for low income students to attend college. This is just what we did through reconciliation in the last Congress.

However, Mr. Speaker, I won't stand idly by while the majority attempts to drive a stake through the heart of the market-based loan program. This would be terrible news for students and taxpayers alike, and I will do all I can to fight against it.

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Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, I am proud that we have come together and finally agree on a fiscally responsible budget. And I am proud of the work that we have done to address our most urgent priorities as a Congress and as a Nation.

Last year, the previous majority failed to pass a budget and in the process left us without the framework to pass critical appropriations bills. In 1998, 2002, 2004, we also went without a budget resolution. We have to do better, and that begins today. We have a responsibility in this Congress to do our jobs and to put our Nation back on track.

At last we are beginning to get our House in order with a real commitment to spend our tax dollars wisely and with fiscal responsibility, finally honoring our long-standing commitments and making a modest investment in our future. By balancing our budget and even providing for a slight $41 billion surplus by the year 2012 without raising taxes, this plan reflects our priorities and takes our Nation in a new direction.

Today we have a budget that makes an investment in children and families for the first time in 6 years. We have a budget that expands SCHIP, the hugely successful children's health insurance program to give kids without coverage the attention and care that they need.

We have a budget that ensures new resources for No Child Left Behind to make student achievement a reality, and a new commitment for Pell Grants to make college education more affordable.

We have a budget that honors our veterans with the resources our VA facilities need to handle increased patient load, and provide the care our servicemembers deserve.

We face great challenges, challenges that the Federal Government has the ability, the capacity, the resources and the moral obligation to help us meet. Let us embrace that obligation, create real opportunity today, and give people the tools they need to grow and to thrive tomorrow.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield 1½ minutes to the gentleman from South Carolina (Mr. BARRETT).

Mr. BARRETT of South Carolina. Mr. Speaker, I rise today in opposition to conference report S. Con. Res. 21, the Democratic congressional budget for 2008.

By not addressing the Bush tax cuts, the Democratic budget resolution conference report calls for at least a $217 billion tax hike, the second highest in American history.

This budget resolution also includes a trigger which would automatically turn the tax increase into the largest in American history.

Mr. Speaker, the government spends too much money. We have serious challenges facing this Nation and spending more money is not a solution. The conference report increases non-defense appropriations by $22 billion above

2007, and $21 billion above the President's request.

It fails to maintain emergency funds included in last year's budget resolution. Also, emergency spending is loosely defined in this budget resolution and does not prevent future abuses in emergency supplemental appropriations.

The conference report has 23 reserve funds which include the promise of more than $190 billion in additional spending which I can only assume will be paid by additional taxes.

The House Budget Committee listened to many testimonies from budget experts, indicating our Nation was facing a fiscal crisis when it comes to entitlement spending; yet the conference report does nothing to address this issue. We cannot simply raise taxes and hope our entitlement problems will solve themselves.

Mr. Speaker, I hoped at least some of the commonsense solutions put forth in the Republican substitute would have been settled, and I urge my colleagues to vote against this budget resolution.

Mr. SPRATT. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Pennsylvania (Ms. SCHWARTZ).

Ms. SCHWARTZ. Mr. Speaker, as a member of the Budget Committee, I first want to recognize the leadership of Chairman SPRATT. It is under his leadership that we have a budget before us that is both responsible and attentive to America's priorities. It reaches balance in 5 years, and it does so without raising taxes, and it meets our obligations while making important investments in America's future.

First, it provides for our national defense. It targets resources to the most urgent military and security concerns, including implementation of the 9/11 Commission recommendations.

Second, our budget honors our commitment to our servicemen and women. It provides funding that will enable the Veterans Administration to provide for the increasing needs of our veterans.

Third, our budget recognizes the priorities of hardworking Americans. It provides tax relief to middle-income families by fixing the AMT, extending lower tax rates, and continuing the earned income and child tax credits. And it expands SCHIP to provide health coverage to 7 million uninsured children in this country of middle-income families.

Fourth, our budget enhances our Nation's economic competitiveness and makes key investments to ensure that our future workforce has the education and skills needed to compete in the global economy.

Our budget is fiscally disciplined. It ends the unsustainable borrow-and-spend policies of the last 6 years, and it balances the budget in 5 years, setting us on a course to pay down our debt while meeting our Nation's obligations.

We should all be proud of this budget. It is a new direction, and it is the right direction for America.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. HERGER), a member of the Ways and Means Committee.

Mr. HERGER. Mr. Speaker, I recently served on the Budget Committee for 8 years, during which time we had the only four balanced budgets in recent history. I am sad to see, however, that today's budget envisions what could amount to the largest tax increase in American history to pay for higher spending.

The budget would increase discretionary spending at roughly three times the inflationary rate while failing to achieve real savings for taxpayers. Taxes will grow by at least $217 billion as pro-growth tax relief is allowed to expire. Even the child tax credit and marriage penalty relief may not be extended. I urge Members to reject this budget.

Mr. SPRATT. Mr. Speaker, I yield 1½ minutes to the gentleman from New York (Mr. BISHOP).

Mr. BISHOP of New York. Mr. Speaker, I rise in strong support of this conference report. We can be proud that this budget finally produces a vision for our future that reflects our hopes and dreams and the promise of economic prosperity and security in the years ahead.

I commend my distinguished chairman and his staff for their hard work, which has resulted in a balanced budget within 5 years, and restoration of middle-class priorities to the budget process. While restoring fiscal responsibility, we also raise funding for veterans, for health care, and for education.

This budget contains reconciliation instructions regarding education expenditures. I believe we have the opportunity to use these instructions to the benefit of students and their families. This budget guarantees that increasing college access and affordability are paramount goals of our majority, and prove that we have followed through on our promise to set a new direction for America.

As our chairman has said repeatedly, if you can't budget, you can't govern. With this budget conference report today, we demonstrate our commitment to govern.

Mr. Speaker, I urge my colleagues to vote for this conference report.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield 1½ minutes to the gentleman from Texas (Mr. CONAWAY), a member of the Budget Committee.

Mr. CONAWAY. Mr. Speaker, I want to speak to one issue in this budget, and that is the tax trigger. I believe this is a ruse to hide behind a tax increase.

I know my colleagues on the other side will argue it is not a tax increase, but I can assure you that American families in 2010 whose financial circumstances are similar in 2011, will pay more in taxes in 2011 than they pay in 2010. Call that what you may, but I believe it is a tax increase.

It is a ruse, Mr. Speaker, because it is built on a foundation of brittle clay. One of the pillars of the foundation is that spending will be restrained. This Democratic majority can spend their way to a point where these tax cuts won't be triggered.

They have already shown a great penchant for spending, a wanton disregard for fiscal restraint. There is $6 billion extra in the omnibus bill, $20 billion extra on the supplemental that is yet to pass, and another $23 billion of new spending in this bill. So they will spend their way.

The other thing it is built on the good graces of the Secretary of the Treasury and the director of OMB, both of whom have to agree that the tax cuts can in fact go forward.

I believe this is a ruse to hide behind the fact that American families will pay more taxes in 2011 and 2012 than they do in 2010 because rates will go up. I urge my colleagues to vote against this budget.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, last November, American voters sent a very clear message that they wanted to change the status quo in Washington. That is exactly what this budget does.

It represents a positive change that reflects the solid values of American families. To begin with, this budget puts the higher priority on national defense and homeland security because we understand that defending our Nation and families is the Federal Government's first responsibility.

We match the President's defense budget, and invest even more to make our airlines, seaports and communities safer from terrorist attacks. This budget, importantly, honors America's veterans by providing for the largest single increase in VA health care services in the 77-year history of the Veterans Administration, a $6 billion increase, and our veterans deserve every dollar of that commitment.

Why did we do this? Because we understand that we cannot have a strong and secure America unless we keep our promises to our servicemen and women and veterans who have defended America.

Make no mistake, a vote against this budget is a vote against the most significant increase in veterans health care in VA history. A vote against this budget is a vote against hiring hundreds of new VA claim processors who are needed to reduce the huge backlog of combat-wounded American veterans who are having to wait far too long to get their earned benefits approved.

Mr. Speaker, let me say I have heard some partisan criticism, let's call it, of this bill. Let me point out the source of that criticism is from the same Members of Congress who wrote partisan budgets for the last 6 years, the 6 years of budgets that took this Nation and the largest surpluses in American history to turn them into the largest deficits in American history. These are the

same folks who in 3 of the last 5 years couldn't even pass a budget resolution through the House and Senate.

We are putting America on a new course, the right course for our country and for our veterans.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield 1½ minutes to the gentleman from California (Mr. CAMPBELL), a member of the Budget Committee.

Mr. CAMPBELL of California. Mr. Speaker, I have been listening to this debate and listening to the arguments on the Democratic side of the aisle, and I am waiting for David Copperfield to show up as a member of their Budget Committee because what they are doing is magic. They are over here bragging about all of the additional money they are spending. And bragging, which they are, and bragging that they are balancing the budget, which they say they are, but then saying they are not raising taxes. Which they are.

This budget contains over $200 billion in tax increases. That is about $1,000 for every taxpayer in America. And oddly enough, isn't it strange that it also contains about $200 billion in additional spending over the President's proposed budget.

So they want to raise Americans' taxes by $1,000 a taxpayer so they can spend it on new spending. Make no mistake about it, a vote for this budget is a vote for at least the second largest tax increase in American history, if not the largest.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. WOOLSEY).

Ms. WOOLSEY. Mr. Speaker, the defense spending in this budget is much, much, much higher than I would like. But I rise today in support of this conference report and the very good work of Chairman SPRATT, of his committee, and his staff.

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Thanks go to Chairman SPRATT and the conferees for including my language in this bill to steer more defense dollars to military personnel for their health care, including Walter Reed and TRICARE, and away from outdated, misguided, and unneeded weapons systems that are still being built to fight the threat of the Soviet Union, to protect against the Cold War.

This budget also takes on waste at the Pentagon, insisting that DOD presses ahead in implementing over 1,300 unaddressed suggestions from the GAO to reduce waste, fraud and abuse.

Mr. Speaker, whenever any Member of this Congress has to stand on the floor and defend what they did in years past, you know it's pretty sure that they made some big mistakes. This budget is a big step in correcting the fiscal mess that the Democratic majority inherited, and I urge my colleagues to support its passage.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield 1½ minutes to the gentleman from Texas (Mr. HENSARLING), a member of the Budget Committee.

Mr. HENSARLING. Mr. Speaker, I thank the gentleman for yielding, and when my friends from the other side of the aisle do something that I think is laudatory, I want to laud them for it.

They have taken a budget that contained the single largest tax increase in American history and turned it into a budget that has the second largest tax increase in American history, but before I get too effusive with my praise, they have something in there called a trigger which tells the American people that somehow, if you can prevent us from spending all of your money, maybe, maybe you can get a little of it back. So I suspect, Mr. Speaker, we are again looking at the single largest tax increase in American history.

Now, speaker after speaker on the other side get up and tell us, oh, we're balancing the budget, we're increasing spending that they call investments, but no, no, no, we're not raising taxes. Mr. Speaker, this is Orwellian doublespeak. The numbers don't add up. I have got a 5-year-old daughter who can perform better math than that, and she's not very good at it. You can't balance the budget, increase spending and then claim you're not raising taxes. It's shameful.

Mr. Speaker, this is an easy conclusion that the Americans should draw. If they believe that the growth of the Federal budget is more important than the growth of their family budget, they should support this Democrat budget. And if they can sleep well at night knowing that this budget is going to double the taxes of their children and grandchildren, they should embrace that budget. But if they want freedom and opportunity for the next generation, reject this budget.

Mr. SPRATT. Mr. Speaker, I yield 2½ minutes to the gentleman from Illinois (Mr. EMANUEL), the distinguished chairman of our caucus.

Mr. EMANUEL. Mr. Speaker, I'd like to thank my colleague from South Carolina for his leadership and, most importantly, his leadership because the Democrats promised in November that we're going to bring a new direction and new priorities to Washington.

We've accomplished in 6 months what my colleagues have failed to do in 6 years and that is produce a budget that produces a surplus.

Let me say what a surplus is since you've had such a recognition of not being able to produce one. Surpluses are the fact when the government puts its fiscal house in order and matches up its needs with the American people and produces a surplus, because your financial legacy is $4 trillion of new debt.

When it comes to economic policy, the one thing that can be said about the Republicans' fiscal mess is that we will forever be in your debt. That is the one thing that's for sure. $4 trillion in 6-years, the largest increase in the Nation's debt in the shortest period of time is your legacy, and I don't think you've quite gotten the recognition for what you've done to America, left it nothing but red ink.

This budget is not only in balance, but it's in balance with our values, our values that ensures that 8 million children who do not have health care but parents work full-time, they will get health care; in balance with our values to make sure that we're not subsidizing the financial industry by making sure that middle class parents have the financial resources to send their kids to college; making sure that when it comes to our veterans that in fact we are rewarding our veterans who have fought for this country and say the proper recognition for their service to America, that they get taken care of. And every step of the way, this budget is not only in balance fiscally but is in balance with our values.

The entire legacy in 6 years of the Republican stewardship was one of $400 trillion of debt left for the Americans to clean up that mess, and we have produced in 6 months a budget that's balanced, and at the end of the process also creates a surplus.

There are different and stark choices. President Kennedy once said, To govern is to choose. We've made the choices to make sure that middle class families get a tax cut, kids get health care, veterans get the respect and the resources that they need to move on with their life, and our families who know that an education and a college education in an era like this where you earn what you learn, that a middle class family does not need a second mortgage or a third job to send their kids to college.

I commend my colleagues for this new direction budget, a budget that is in balance and is also in balance with our values.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself 10 seconds simply to say that's correct, the majority did make choices. They chose to raise taxes, they chose to raise spending, and they chose to violate their own PAYGO rules.

With that, Mr. Speaker, I yield 1½ minutes to the gentleman from Florida (Mr. MARIO DIAZ-BALART), a member of the Budget Committee.

Mr. MARIO DIAZ-BALART of Florida. Mr. Speaker, to borrow an old cliche, the more things change, the more they remain the same.

The speaker who spoke a little while ago from the Democrats said that the Democrats in just 6 months have achieved what the Republicans did not do in 6 years. That's true.

In 6 months they've achieved increasing the taxes on the American people, the second largest tax increase in the history of this country. Again, $217 billion in additional taxes. Mr. Speaker, that's going to hit everybody, middle income families, low income earners, families with children, small businesses. Every American who pays Federal taxes is going to get a huge tax increase.

Mr. Speaker, the American people do not deserve a $217 billion tax increase

to fund more bureaucracy and more bureaucrats in Washington, D.C. If you think that there are not enough bureaucracy, enough bureaucrats in D.C., vote for this budget. If you think the American people deserve a tax cut, reject this high spending, highly irresponsible tax raising budget.

Mr. SPRATT. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. ANDREWS).

(Mr. ANDREWS asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS. Mr. Speaker, I thank my friend from South Carolina, the chairman, for producing an excellent budget for which every Member should vote.

Responsible people do not pay their bills by borrowing from their children. Responsible people analyze what they can afford, spend only that and save what they can.

For too long, this Congress has labored under a culture of irresponsibility: focus on the next election, spend what you want to, hand out tax cuts to your supporters, and let someone else worry about it down the line.

This budget ends that culture of irresponsibility, and it stands for one clear principle over and over again. We will not run this government on borrowed money, period. We wish to double the number of children covered by the children's health insurance program and we will. But when we do so, we will pay for it without borrowing more money.

Most of us absolutely are committed to extending the tax breaks for middle class families that help them survive, but when we do so, we will do so without borrowing more money from the Chinese, from the Germans, and from our grandchildren.

The easy thing to do around here is to spend more, tax less and borrow more. What it gets you is higher mortgage rates, higher car loan rates, more unemployment, more debt and no explanation whatsoever to the next generation in this country.

Today marks a turning point away from the culture of irresponsibility, toward a culture of responsibility for the future of people of this country.

I urge both Republican and Democratic Members to vote ''yes'' on this budget.

PARLIAMENTARY INQUIRIES

Mr. RYAN of Wisconsin. Mr. Speaker, given the stated concerns about borrowing by the majority, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. POMEROY). The gentleman may state his inquiry.

Mr. RYAN of Wisconsin. Mr. Speaker, it's my understanding that pursuant to rule XXVII of the rules of the House, upon adoption of the conference report by both the House and the Senate, the Clerk of the House will be instructed to prepare a joint resolution adjusting the public debt limit; is that correct?

The SPEAKER pro tempore. That is correct.

Mr. RYAN of Wisconsin. Further inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his inquiry.

Mr. RYAN of Wisconsin. Am I further correct, that by operation of rule XXVII, upon adoption of this conference report by both the House and the Senate, this joint resolution adjusting the debt limit will be considered as passed by the House and transmitted to the Senate?

The SPEAKER pro tempore. The gentleman is correct.

Mr. RYAN of Wisconsin. Further inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman may state his inquiry.

Mr. RYAN of Wisconsin. Will there be a separate vote in the House on passing this joint resolution adjusting upwards the debt limit?

The SPEAKER pro tempore. Not by operation of rule XXVII.

Mr. RYAN of Wisconsin. Further inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his inquiry.

Mr. RYAN of Wisconsin. Mr. Speaker, by operation of this rule, will the vote by which the conference report is passed by the House be considered the vote on passage of the joint resolution adjusting the debt limit?

The SPEAKER pro tempore. That is correct.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, what we have just learned is that if a Member votes for this conference report, and it is adopted by the Senate, then they will be recorded as having voted for the joint resolution raising the public debt limit to $9.815 trillion, an increase in the public debt of borrowing of $850 billion. If a Member votes against this conference report, and it is adopted by the Senate, then they will not be recorded as having voted to increase the debt limit or borrowing by $850 billion.

So it's very clear that the passage of this budget increases borrowing by $850 billion and that is, in fact, the effect of this.

Mr. Speaker, I reserve the balance of my time.

Mr. SPRATT. Mr. Speaker, could I inquire of the Chair how much time is left and who has the right to close?

The SPEAKER pro tempore. The gentleman from South Carolina (Mr. SPRATT) has 8 minutes left and will have the right to close. The gentleman from Wisconsin (Mr. RYAN) has 9½ minutes remaining.

Mr. SPRATT. Mr. Speaker, I yield myself 3½ minutes.

We can't have this debate without having a few charts on the floor, and it always bears reminding what's happened over the last 6 years because it is truly a fiscal phenomenon.

When President Bush came to office in 2001, he had an advantage that few Presidents in recent history have enjoyed, a budget in surplus. I'm talking big-time surplus, $5.6 trillion by his estimate, over the next 10 years, $5.6 trillion. That was the year 2001. In the previous year, a Clinton year, we ran a surplus of $236 billion.

By the year 2004, under the stewardship of this administration and this Congress, because Republicans controlled the House, controlled the Senate and controlled the White House, under their stewardship, the $5.6 trillion surplus was converted to a $2.8 trillion deficit, enormous swing of $8 trillion in the wrong direction, and that $236 billion surplus in the year 2004 became a deficit of $412 billion.

Incredible, but that is what we have had for the last 6 years. That's the record over the last 6 years which cannot be denied. Here it is right here.

As a consequence of the deficits that have been run, this simple little chart that I bring down here again and again, because it bears reminding everybody what's happened over the last 6 years, shows that when Bush came into office we had a debt of $5.7 trillion. The debt today is over $8 trillion, $8.8 trillion. That means there's been an increase in the national debt of $3.1 trillion, and if we continue upon the fiscal path that this administration has taken, by the time they leave office the debt of the United States will be $90.6 trillion.

Look at the accumulation of debt over this 8-year period of time. We've never seen anything like it. These are the people who would criticize what we are doing.

□ 1515

Now, there has been a lot of talk about tax increases. Let me show you this little chart here, because it shows graphically, and emphatically, something called debt service. The increase in the interest on the national debt that has to be paid, talk about entitlement reform, this is the one true entitlement. It's obligatory, it has to be paid. Interest on the national debt has increased from about $156 billion a couple of years ago to $256 billion, and it's on its way north to $300 billion in a short period of time. This is a debt tax.

Yes, you may have cut taxes in 2001 and 2003, but, because you have borrowed to make up for the loss of revenues and added to the debt of the United States, you, we, our children and their children, will be paying this debt for years to come, and compare this huge mountain of debt service, interest on the national debt, to other priorities.

Education, the light blue block; veterans health care, the green block; Homeland Security, the blue block, all of them are dwarfed by interest on the national debt. So here is the debt tax that you have left us owing, left our children owing, left generations to come owing.

This is the debt tax that will have to be paid because it simply cannot be cut. That's what we are struggling with today because of the fiscal management of this government over the last 6 years.

Mr. Speaker, I reserve the balance of my time.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield 30 seconds to the gentlewoman from North Carolina (Ms. FOXX).

Ms. FOXX. I want to thank Mr. RYAN.

There is a group of Democrats here who came to be fiscal conservatives. They call themselves the Blue Dogs. They have a budget reform plan, a good budget reform plan. Point 7 of the Blue Dogs 12-point budget reform plan calls for not hiding votes on the debt limit increase.

Yet a vote for this conference report is a vote to automatically raise, without a separate vote, the national debt by $850 billion. Where are the Blue Dogs today? They are not here on the floor talking for this. Where will they be when we have this vote?

Mr. SPRATT. Mr. Speaker, I reserve the balance of my time.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield 2½ minutes to our distinguished minority whip, Mr. BLUNT.

Mr. BLUNT. I thank the gentleman for yielding.

Mr. Speaker, we will be talking about this budget for a long time. Everybody has their own view of this, but you can't have your own view of the facts. One of my good friends got up a minute ago and talked about the size of the deficit.

This budget is going to add $850 billion this year to the deficit. I think that's almost $1 trillion, though I am sure people who are listening to this here in the Chamber and anywhere else are confused now by all these numbers they are hearing. This budget, without a single other vote, adds to the national debt.

It raises the debt ceiling. In spite of the many Members in this Chamber who ran for office saying they would never try to hide this vote on the debt, that's exactly what this vote does today.

Entitlement reform, one of my other friends said, we hadn't passed a budget. Well, my friend, you can't have entitlement reform unless you pass a budget. You can't have reconciliation.

We cut the growth of the entitlement spending $40 billion in the last Congress. By definition, to do that, we had to have a budget. So somebody who suggested we hadn't had a budget also was the person who had some explanation as to why this budget doesn't do entitlement reform.

In fact, then we even make entitlement reform somehow the interest on the national debt. The programs that are growing out of control are the programs that this budget refuses to address.

Then the very interesting topic of tax cuts, tax policies in 2001 and 2003 that have produced record levels of income to the Federal Government; 2005, 14.5 percent more income than 2004; 2006, 11.8 percent, more income than 2005. These tax cuts grew the economy. That grew Federal income. If you raise the wrong taxes, you will reduce Federal income.

This whole budget debate, our friends in the majority have said, there is no tax increase in this budget. But suddenly, in the budget report, we are told that, well, we have accepted the Senate levels of tax increases, so we are only raising tax revenue by $217 billion for sure instead of $400 billion.

This is a huge tax increase. It doesn't deal with entitlements. It raises, without a vote, the national debt ceiling. I urge a ''no'' vote on this budget. Let's get a blueprint that really works for the future.

Mr. SPRATT. Mr. Speaker, I reserve the balance of my time.

Mr. RYAN of Wisconsin. Mr. Speaker, may I inquire of the chairman, the gentleman from South Carolina, is he the last speaker on their side? You are reserving the right to close?

Mr. SPRATT. I reserve the balance of my time.

Mr. RYAN of Wisconsin. Mr. Speaker, may I inquire how much time is remaining on both sides?

The SPEAKER pro tempore. The gentleman from Wisconsin has 6½ minutes remaining. The gentleman from South Carolina has 4½ minutes remaining.

Mr. RYAN of Wisconsin. At this time I would like to yield 2 minutes to the distinguished chief minority whip from Virginia (Mr. CANTOR).

Mr. CANTOR. I thank the ranking member, Mr. RYAN.

Mr. Speaker and Members of the House, you know, when I sit here in almost astonishment and thinking, it's the fact that even though we are witnessing the massive tax hikes that are embedded in the Democrat budget, in fact, the largest tax increase in American history, what the majority's budget fails to do, it fails to stop the raid on Social Security.

In the year 2012, the Social Security fund will be running a surplus of $99 billion. As we know, the Federal Government has experience and has collected more in Social Security taxes than it pays out in benefits since 1984. Instead of using this money to shore up Social Security, instead of using it to do something to honor the contract that this government has made with the seniors, the Democrat budget spends that cash surplus on other programs.

What is astonishing is the fact that this very House, last week, in a vote on the Republican motion to recommit to stop the raid on Social Security, this House, in an overwhelmingly bipartisan vote, supported the end of that raid. But here we have the Democrat budget that goes back on that word represented by the bipartisan vote and starts again with the raid on Social Security surplus.

In contrast, the Republican budget that was offered several weeks ago does just the opposite, and, in fact, uses the surplus that will exist in 2012 to begin to shore up the Social Security system and to improve and enhance the vitality of that program for today's seniors.

Mr. Speaker, I strongly recommend a ''no'' vote on this conference budget report.

Mr. SPRATT. Mr. Speaker, I reserve the balance of my time.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself 3½ minutes.

Mr. Speaker, let's just be really clear. You are hearing this debate about taxes. Nowhere is the difference between the two parties ever clear than it is right now. We brought a budget to the floor that not only did not raise taxes, it kept taxes low, and it reduced spending, and it balanced the budget, and it finally stopped the raid of the Social Security Trust Fund.

That's what we proposed. We are not in the majority. Our view did not prevail. The Democrat budget did prevail. What did that budget do? It passed the largest tax increase in American history. That's not what we say, that's what the Congressional Budget Office says, our scorekeepers.

So what did they do in conference? They decided to accede to the Senate and have a slightly smaller tax increase. They started off with the red line, largest tax increase in American history as measured by the Congressional Budget Office. No matter what you say, the numbers in the budget just don't lie.

Then they said, let's have a trigger. If we don't spend too much money, and if the surplus is big enough in 2010, then maybe some taxpayers could get some tax relief, and we won't raise all of their taxes. We will extend the marriage penalty and the child tax credit, 10 percent bracket, but will all the other tax increases occur? So we will have the second highest tax increase in American history.

That's what their proposal does. They simply cannot have it both ways. They cannot say there is no tax increase in this budget and then say we are preserving some of the tax cuts and not others. You can't have it both ways.

Here is what this budget does. It puts us on a vicious cycle of taxing and spending. They start off by spending $24 billion, next year, brand new spending.

Then they have a $217 billion tax increase. Then they have 23 reserve funds, 23 wish lists, which equal $190 billion in new spending. Then they have no entitlement reforms, which means our entitlement programs are going to grow and grow and grow at unsustainable rates. Guess what, $190 billion in wish lists, 23 new wish lists of spending. What do they get? If they get the spending, they get another $190 billion tax increase to pay for it, a vicious cycle of new spending.

The trigger tax says we would like to give some people some tax relief, but if we continue to whet our appetite, taxpayers won't get it. All this trigger says is it puts the taxpayer at the back of the line and the government and spending at the front of line. We have a different core set of values.

We believe the money that people make is their money, not the government's money. If you are making money, working hard and paying taxes, that's your money, not ours. We have a different set of beliefs. They believe the opposite. They believe that more and more and more money ought to come out of workers' paychecks. They believe that they can spend your money better than you can.

That is not what we believe. The reason that we don't believe it is because if you have more money in your paycheck, you have more for yourself and more freedom for your family, we know, by golly, the American economy grows. We succeed. We improve in the global economy.

We created 7 million new jobs since this last run of tax cuts. We increased revenues to the Federal Government from these lower tax raises, 3 years in a row, double digit revenue growth. Let's not turn that recipe upside down. Let's not ruin a good thing.

Defeat this budget.

Mr. SPRATT. Mr. Speaker, I reserve the balance of my time.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield the remainder of our time to the distinguished minority leader, Mr. BOEHNER.

Mr. BOEHNER. Mr. Speaker and my colleagues, here we go again, a higher spending, higher taxes, and people don't think there is a difference between the two major political parties. One only has to look at what's happened so far this year. We have the continuing resolution that was passed in February, there was $6 billion worth of excess spending in it.

Now we have got an emergency supplemental to fund our troops in Afghanistan and Iraq that has another $22 billion worth of excess spending in it. If you look at the discretionary spending levels in this budget for this next fiscal year, we have another $22 billion worth of additional spending that's outlined.

Now if that's not bad enough, we are only 4½ months into this calendar year, and my friends across the aisle have authorized an additional $62.5 billion of additional spending. How much spending and how many taxes do we want to impose on the American people?

We all know that the tax cuts of 2001 and the tax cuts of 2003 have led us to one of the most robust economies that we have seen in our history. Why? Because we lowered tax rates, we gave people reasons to invest in our economy. Jobs were created, 5 million new jobs were created, more people were earning money, raising their families, paying their bills, and, guess what else they are doing? They are also paying more in taxes.

□ 1530

That is why revenues to the Federal Government over the last 3 years have increased at over 12 percent per year. They are likely to do the same again this year if we don't impose upon this economy the largest tax increase in American history. It is coming. There is $200 billion worth of tax increases needed to fill this hole. There is this reserve fund, all these promises: If we can raise taxes somewhere, we will give you this extra spending. And so we are going to see the largest tax increase in our Nation's history once again.

I was listening to this debate earlier in my office and I began to ask myself, what is the essence of this? Let me go back to the 1970s.

I grew up in a household with 11 brothers and sisters; my dad owned a bar, and we were Democrats, all of us. And I remember starting a new business in 1975; I remember paying taxes. I remember not owing many taxes because I was starting a new business. But in 1978, as my small business was beginning to grow, the top tax rate in our country was 70 percent. That means 70 cents out of every dollar over that minimum, which was about $75,000, 70 cents of every dollar I got to give to the Federal Government. That is when I began to realize that maybe I wasn't a Democrat any longer.

Here I was trying to grow a small business; I was a subchapter S, so everything that my business made, I had to pay taxes on personally. That meant I could only leave 30 cents of every dollar in my business to help make it grow. And even under those tax rates that were suffocating, I was able to succeed.

But let's think about the last 25 years. When Ronald Reagan got elected in 1980, in 1981 in a bipartisan way we started a process of lowering tax rates. Over the last 25 years, by and large we have lowered tax rates dozens of times, only a couple of bumps, a couple increases along the way. The result of all of that over the last 25 years has been a growing economy. Better jobs in America, more jobs in America, and more revenues to the Federal Government. It is a prescription that has worked.

Look again at the 2003 and the 2001 tax cuts. We reduced tax rates, and the result was more investment, more jobs, and more revenue to the Federal Government.

Now, at some point there is a point of diminishing returns, but I will suggest to all of you that we are nowhere close to it yet.

Ladies and gentlemen, I became a Republican and I came to Congress because I thought that we paid too much in taxes and that government was too big. The heart and core of who I am and why I am here is to fight for a smaller, less costly, more accountable government here in Washington, D.C. This budget represents every reason that I decided to become a Republican, and every reason I decided to come to Washington and to do something about it.

The big difference is simple right here. My friends across the aisle believe that government knows best what to do with the American people's money. More of my colleagues on my side believe that the money that the American people earn is theirs, and that they can make better decisions on behalf of themselves and their family and their future if we allow them to keep more of the hard-earned money that they make.

I can't just sit back and be quiet about higher taxes and higher spending. This is the largest tax increase in American history. This will in fact disinvest money from our economy, will put people out of work, and put us on a path to higher deficits.

And if the largest tax increase in American history isn't the saddest part of this bill, I will tell you what it is: No entitlement reform.

There is an economic tsunami coming at us; it is Social Security, it is Medicare, and it is Medicaid. And while Republicans over the last years have made several attempts and made some changes, and I would argue not nearly as many changes as we should have, there is no entitlement reform in this bill. That means that the amount of debt that will build up over the next 5 years, as outlined in this budget, will far surpass the debt that accumulated over the last 5 years.

You all know what is happening. There is not a Member in this Chamber that doesn't understand that if we don't deal with entitlement our kids and our grandkids can never afford the benefits that we have promised ourselves. We can look the other way, we can act like it doesn't exist, but we have made promises to ourselves as baby boomers that our kids and grandkids can't afford. And yet, we see the tsunami coming at us, we can measure it; we can measure the speed and the size of it, and yet we do nothing about it.

My colleagues, this is not the direction that I believe we should go in. I would ask all my colleagues to stand up and do the right thing and to say ''no'' to this budget resolution.

Mr. SPRATT. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, this is a good budget. I would be the first to say it is not a perfect budget, but I would be the first to argue that it is worthy of our support.

Indeed, I think it requires our support if we don't want to see the budget process fail abjectly once again, as it did last year under Republican control when no concurrent budget resolution was ever enacted, passed, and only two of 11 appropriation bills were passed.

The bottom line, this budget moves us to balance over the next 5 years. Along the way, it posts smaller deficits than the President proposes, it adheres to the pay-as-you-go principle, which is the rule of this House, contains no new mandatory spending that is not paid for, and it funds five program integrity initiatives to root out wasteful spending and fraud and tax evasion.

Within this framework, it does more for veterans health care, far more, more for children's health care, far

more, and more for education, lots more.

Here in a nutshell are the basics of the budget: This budget runs to surplus of $41 billion in the year 2012. Contrast that with the President's budget which is always in deficit. This budget not only abides by pay-as-you-go principles, it enhances them by establishing a new Senate PAYGO rule and calling for reinstatement of the statutory PAYGO rule as well. This budget does all of the above, I will say this emphatically one last time, does all of the above without raising taxes.

The tax cuts that were enacted in 2001 and 2003 remain in full force and effect, unaffected in any way by this budget resolution. As enacted and originally written, most of these tax cuts expire on December 31, 2010, and that has nothing to do with our budget resolution.

But in our budget resolution, we identified all of the middle income tax cuts, many of which we supported at the time passed, and we made it the policy of our resolution to extend these tax cuts when they expire.

In this concurrent resolution, we go even further. We install a trigger that will facilitate the extension of these tax cuts so long as, number one, the House waives PAYGO; and, number two, the tax cuts extended do not exceed 80 percent of the surplus projected by OMB by the year 2012.

This concurrent resolution in other respects sets defense spending levels that the President requested. Why is spending so high? It contains $145 billion in supplemental expenditures.

And let me say one thing about the argument one of the leaders of the other party made on the House floor just a few minutes ago about the amount of debt that is being added to the national debt. What we are talking about is taking a big battleship and turning it around slowly. We have inherited the basics of this budget. Much of the spending that we are carrying forward was dictated over the last 6 years. The same for the revenue flow of the budget we are undertaking. It is going to take time to turn this big battleship around. But as we do, the best we can do is, number one, have a concurrent budget resolution with the binding effect of budget law for the first time in a long time; and, secondly, this concurrent resolution which will put us back on the path to a balanced budget.

For those for whom a balanced budget is something of a moral imperative because of the debt we are leaving our children, the right vote today, the only vote today is the vote for this budget resolution, and I commend it to every Member of this House, Democrat and Republican, and urge their support.

Mr. CONYERS. Mr. Speaker, today is a historic day. After years of rising deficits and draconian Republican budgets, the vote on the Budget Conference Report finally puts us on the right course. The Democratic budget will take America in a new direction by funding national priorities such as health care services, educational programs, and veterans services while providing middle class tax assistance. The Democratic budget rejects the Administration's attempts to cut funding to many social programs that support American children and families such as State Children's Health Insurance Program (S–CHIP), Pell grants, Medicare, and Medicaid. This forward looking budget will help all Americans progress towards social and economic security.

The Democratic budget will also provide tax relief for middle-income workers and will extend popular tax credits such as the child tax credit, marriage penalty relief, and more deductions for state and local sales taxes.

After our troops have defended our great country, we need to give our servicemen and veterans the best possible health care. The budget provides sufficient funds to treat traumatic injuries and improve health care facilities for veterans, as well as to treat the more than twenty-six thousand service members who have been wounded in Iraq and Afghanistan. Funding measures to veterans healthcare is a well deserved and necessary expense providing $3.6 billion above the President's proposal.

Mr. Speaker, many Americans have economic concerns, and are seeking leadership from us, the people's House, the United States Congress. After six years of misplaced priorities, the Democratic budget resolution seeks to provide services and support that are essential to the well-being of the American people; millions who are hard working tax paying citizens that deserve some well justified and reasonable assistance. This legislation is clearly the people's budget.

Mr. HOLT. Mr. Speaker, a budget is a moral document that demonstrates our values and priorities. This budget Conference Report, brought to us by Chairman JOHN SPRATT represents values I can be proud of. This budget makes real investments in education, healthcare, housing and research and development while bringing the budget back to surplus by 2012.

At a time when more than ten percent of students drop out of high school before graduating and only four out of ten children eligible for Head Start are able to participate, this budget reverses the Administration's policy of under-investing in education for our children. The budget rejects the President's proposal to cut funding for the Department of Education by $1.5 billion below the 2007 enacted level and to eliminate 44 entire programs. It instead provides for substantial new investments in vital programs such as Head Start, special education (IDEA), Title I and other programs under the No Child Left Behind Act. The bill also funds an increase in Pell Grants so that high school students will know that if they work hard, they can go to college.

The budget rejects the President's proposal to cut funding for the Community Development Block Grant program by $1.1 billion below last year's level, and instead provides for the first CDBG increase since 2005. The cut advocated by the President would endanger job creation, economic development, and affordable housing efforts, cutting CDBGs for nearly 1,200 state and local governments.

This budget rejects the President's proposal to cut Child Care Development Block Grants and Social Services Block Grants by $520 million below the 2007 level. The President's budget would lead to a decline in valuable assistance for child care that allows many working parents to earn a living. The Conference Report would allow for the first increase in this funding since 2002.

Further, knowing that we now have more uninsured Americans than six years ago, this budget blocks the President's proposed cuts to Medicare and Medicaid. These cuts would have made healthcare less affordable and accessible for millions of Americans. This budget ensures that up to $50 billion over the next five years will be devoted to the State Children's Health Insurance Program (SCHIP) so that millions of uninsured children can be covered. New Jersey is a national leader in covering children through the SCHIP program and this additional funding is desperately needed to ensure our state's good work, and that of other states, can continue.

This budget reverses the President's dangerous cuts to our nation's first responders. What sense would it make to cut the Local Law Enforcement Terrorism Prevention program, Firefighter assistance grants, Byrne Justice Assistance Grants, or the Community Oriented Policing Services (COPS) program? Our budget stands up for first responders and ensures that each of the programs receives appropriate levels of funding.

Mr. Speaker, I commend Mr. SPRATT and the Budget Committee conferees for demonstrating that we can provide for our nation's defense in a responsible way—both fiscally and from a policy standpoint. This budget will provide $507 billion in Department of Defense budget authority, an $18 billion increase over the President's request. This budget also emphasizes the right priorities for meeting our security needs.

For example, this resolution opposes TRICARE fee increases and calls for a substantial increase in the veterans' health care system. The budget resolution notes the upcoming recommendations of the President's Commission on Care for America's Returning Wounded Warriors and other government investigations in connection with the Walter Reed scandal, and allows funds for action when those recommendations are received. To help protect our nation from a terrorist-sponsored nuclear attack, non-proliferation programs such as the Cooperative Threat Reduction program are given greater priority and higher funding.

This budget also helps us keep our promises to our nation's veterans. I'm pleased the committee has recommended increasing discretionary funding for the Department of Veterans Affairs from $36.5 billion to $43.1 billion—a $6.6 billion (18.1%) increase over FY07, and a $3.5 billion increase (8.9%) over the Administration request for FY08. This budget provides a far more realistic spending plan than the President's proposal. Our proposed increase in this area will help meet critical needs, including ensuring that medical inflation does not erode VA's ability to deliver quality health care to our veterans.

In order to maintain American competitiveness, we must make substantial investments in scientific research and education. The budget provides funding for initiatives to educate new scientists, engineers, and mathematicians in the next four years, and places more highly-qualified teachers in math and science K–12 classrooms. It makes critical investments in basic research, putting us on the

path to doubling funding for the National Science Foundation, and bolstering investments in research and development throughout the budget.

America's dependence on oil endangers our environment, our national security, and our economy. A sustained investment in research and development is crucial to creating cutting-edge technologies that allow us to develop clean, sustainable energy alternatives and capitalize on America's vast renewable natural resources. The budget provides increased funding for basic and applied energy research.

For the first time in 6 years, the Budget Resolution reflects a real commitment to protecting our most valuable natural resources by providing needed funding for our National Parks, the Land and Water Conservation Fund, and the national wildlife refuge system. H. Con. Res. 99 provides a total of $31.4 billion for environmental programs, which is $2.6 billion more than the President's request. I have been an advocate for the Land and Water Conservation Fund since I came to Congress eight years ago and I am pleased that we are finally at a place where the budget includes adequate funding for both the state-side grant program and the federal program. LWCF and the Forest Legacy program have done tremendous work in states across the country, including New Jersey, to protect open space, restore wetlands, and conserve forests lands. In the face of mounting evidence on the perilous state of our environment, it continues to amaze me why President Bush continues to turn a blind eye to our growing needs in this area. Finally, we have a budget that realizes how important this investment is to preserving our natural resources and promoting conservation.

This budget achieves all of these objectives and investments without an increase in taxes. The budget would accommodate immediate relief for the tens of millions of middle income households who would otherwise be subject to the Alternative Minimum Tax (AMT), while supporting the efforts of the Committee on Ways and Means to achieve permanent, revenue-neutral AMT reform. Unless the AMT is reformed, 19 million additional families will have to pay higher taxes in 2007. The budget would also accommodate extension of other middle-income tax relief provisions, consistent with the Pay-As-You-Go principle that include: the child tax credit, marriage penalty relief, the 10 percent bracket, and the deduction for state and local sales taxes.

The past 6 years of fiscal irresponsibility have caused America's national debt to increase by 50 percent, an amount of nearly $9 trillion, or $29,000 for every American. Our ability to invest in the Nation's shared priorities is constrained by the cost of the debt run up over the last 6 years, when the administration and its partners in previous Congresses turned the largest surplus in American history into a record debt. About 75 percent of America's new debt has been borrowed from foreign creditors such as China, making our fiscal integrity a matter of national security. Over the last 6 years, President Bush has borrowed more money from foreign nations than the previous 42 U.S. Presidents combined.

Mr. Speaker, this budget reflects values that we can all be proud of. It meets the basic needs of Americans, invests in priorities important to our future while putting us on the path to fiscal responsibility. I ask my colleagues to vote for the Budget Conference Report.

Mr. UDALL of Colorado. Mr. Speaker, I support this conference report because it will begin the process of changing our budgetary course. While it is not identical to the version passed by the House earlier this year, like that resolution it is clearly preferable to budgets adopted by the House in previous years.

For the 6 years before the convening of this 110th Congress, the administration and the Republican leadership insisted on speeding ahead with misguided fiscal and economic policies. Ignoring all warning lights, they plowed ahead, taking us from projections of surpluses to the reality budgets deep in deficit and heaping higher the mountain of debt that our children will have to repay.

Many of us said it was urgent to stop persisting in that error and voted for alternatives, including those proposed by the Blue Dog Caucus.

But year after year our Republican colleagues insisted on taking their marching orders from the White House, moving in lockstep to endorse the Bush administration's insistence that its economic and fiscal policies must continue without change.

I admired their discipline, but I could not support their insistence on driving us deeper into the swamp of fiscal irresponsibility that has left a debt burden of more than $30,000 for a typical middle-income family of four in Colorado.

But that was then—and now, in this new Congress under new management, by passing this conference report we can begin to undo the damage they have done. The conference report is better in its fiscal responsibility and in its priorities.

It follows the tough ''pay as you go'' budget rules to begin to reverse the budget deficits and to put us onto the path to a balanced budget. And under this plan, by 2012, domestic discretionary funding would fall to the lowest level, as a share of the economy, in at least a half century while spending as a percentage of GDP will be lower in 2012 than it has been in any budget adopted under President Bush—1 percent lower than it will be this year and lower than it has been in any year since 2001.

Despite assertion by its critics, the conference report does not include any tax increases. To the contrary, it supports tax relief that would benefit the middle class—including extension of the child tax credit, 10 percent bracket, and marriage penalty relief—and provides for estate tax reform.

And it provides for immediate Alternative Minimum Tax relief, preventing more than 20 million middle-class taxpayers from being hit by the tax. This is important because while in 2004 only 32,000 Colorado families were subject to the AMT, if nothing is done, this year that number will rise to 234,000 families in Colorado and hundreds of thousands more in other States.

At the same time, it takes steps to crack down on wasteful or fraudulent spending in Social Security, Medicare, and Unemployment Insurance programs and it supports actions to collect unpaid taxes as well as providing additional resources to reduce claims backlogs in the Veterans Administration, Social Security Administration, and other agencies.

Further, it directs House committees to identify wasteful and lower priority spending that can be cut. As a member of the Armed Services Committee, I am particularly glad to note that the conference report is also realistic and responsible about the need to maintain our national defense and honor our promises to our troops and veterans.

In addition to meeting the needs of the active-duty force, it allows for increasing funding for veterans' health care and services by $6.7 billion above the 2007 enacted level, and $3.6 billion above the President's budget.

This is a priority for me, because it will help ensure that the 427,957 veterans in Colorado receive care worthy of their sacrifice. It is also critical for the 17,419 Coloradans, who have served their country in Afghanistan and Iraq since September 2001, many of whom will need VA health care services.

It also provides more funding for urgent homeland security needs and to implement the 9/11 Commission recommendations. In doing so, it rejects cuts to vital first responder and terrorism prevention programs that would happen if we adopted the President's budget for fiscal 2008.

Like the House-passed version, it recognizes the importance of research, development, and education in keeping our economy strong and our country secure. As a member of the Science and Technology Committee and chairman of its Subcommittee on Space and Aeronautics, I am particularly supportive of it for that reason—and as one of the Chairs of the Renewable Energy and Energy Efficiency Caucus, I welcome its support for research and development of renewable and alternative energy technologies.

As for education, the conference report allows for substantially more funding for helping Colorado's public elementary, middle and high schools educate the 768,600 children now enrolled, with more resources to implement the No Child Left Behind Act, special education and Head Start. By contrast, if we followed the President's budget, 31,296 Colorado children would not receive promised help in reading and math and the Head Start program—which serves 9,820 Colorado children—would be cut by 1.5 percent below the 2007 level.

These investments to a growing economy for America's families are needed because, according to the Census Bureau, family income in Colorado has dropped by $4,041 since 2000, while health care and energy prices are climbing. But still more is needed.

So, I am glad that the conference report provides for increasing funding for State Children's Health Insurance Program (SCHIP)—to help cover the 176,230 of Colorado's children who do not have health insurance. And because it is so important for Colorado's ranchers, farmers, and rural communities, I strongly support the part of the conference report that supports policies to strengthen the farm bill's economic benefits.

Mr. Speaker, I can understand why the Bush Administration does not like this conference report. After all, it rejects the Administration's misguided priorities. But it's disappointing that so many of our Republican colleagues still are so willing to unquestioningly follow the President's lead. And, while I suppose it's to be expected, it's particularly unfortunate that they have decided to attack this conference report by resorting to recycling the old, tired and false claim that it is ''the largest tax increase in history.''

But the facts are otherwise. The conference report does not affect the top-heavy tax cuts

the Bush administration and the Republican leadership pushed through since 2001—they remain in place as they stand, which means they will not expire for 4 years.

I did not vote for all of those tax cuts, but I did support some that are most important for middle-income Coloradans. So, I am glad that the conference report provides for extensions of those in 2011, including an extension of the child tax credit, marriage penalty relief, and the ten percent individual income tax bracket. And when the rest of the tax cuts come up for reconsideration, Congress can and should consider whether to extend them, as they are now or in modified form.

I support that approach, which is quite different from the alternative approach that would have been taken by the Republican alternative that the House rightly rejected earlier this year. It would have insisted on locking in all of the Bush tax cuts—the ones I did not support as well as those I did—and would have put top priority on making them all permanent.

I did like some things in the Republican alternative—including a constitutionally-sound line-item veto similar to my Stimulating Leadership in Cutting Expenditures (''SLICE'') legislation—but overall I thought it was not a responsible approach and I could not support it, just as I could not support the other alternatives debated in the House.

Regarding one of those alternatives, in reviewing the formal record of rollcall 209, the vote on the Kilpatrick substitute, I found I am recorded as having voted ''yes.'' However, I had intended to vote ''no,'' and my recollection is that I did vote ''no.''

Unlike all those alternatives, and like the resolution passed by the House, this conference report is well balanced in its combination of fiscal responsibility and refocusing priorities. I will support it and I urge its approval by the House.

Mr. FOSSELLA. Mr. Speaker, I rise today in opposition to this budget, which significantly raises taxes on the American people. The Conference Report represents an enormous tax increase on hard-working American families—families that cannot afford to send more of their money for politicians and bureaucrats to spend.

My staff analyzed the original House budget resolution and determined that it would cost an average family on Staten Island or Brooklyn nearly $4,000 more a year in Federal taxes. My friends across the aisle hail this resolution because they say it raises taxes less than the budget Resolution—as if that is an achievement to be proud of. The simple truth is that this Budget still raises taxes when we should instead be working to reduce them.

In fact, the reduced tax increase is only achieved if certain triggers are hit—triggers that are based on projected surpluses. But you don't need a degree in economics to know that surpluses will only be hit by restraining spending, which this Resolution most certainly does not do.

How are we supposed to have a surplus large enough to avoid raising taxes when this Resolution does nothing to reign in spending—and also includes hundreds of billions of dollars in new spending without proper offsets? The math does not add up.

I cannot support a budget resolution that will ultimately cost families on Staten Island and Brooklyn $4,000 more every year in Federal taxes or a New York City Police Officer $1,300 more, a New York City public school teacher $1,500 more, and a New York City Firefighter $2,000 more.

The other side claims to support a ''Pay As You Go'' system when, in reality, this budget Resolution amounts to ''Buy Now, Pay $400 Billion More in Taxes Later.''

I urge my colleagues to vote against what is one of the largest tax increases—if not the largest tax increase—in American history.

The SPEAKER pro tempore. All time for debate has expired.

Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

Pursuant to clause 10 of rule XX, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 214, nays 209, not voting 10, as follows:

[Roll No. 377]

YEAS—214

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baldwin
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castor
Chandler
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Doyle
Edwards
Ellison
Emanuel
Eshoo
Etheridge
Farr
Fattah
Filner
Frank (MA)
Giffords
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Hastings (FL)
Herseth Sandlin
Higgins
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Maloney (NY)
Markey
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McIntyre
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murtha
Nadler
Napolitano
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Pelosi
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Space
Spratt
Stupak
Sutton
Tanner
Tauscher
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NAYS—209

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Bean
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boren
Boustany
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Donnelly
Doolittle
Drake
Dreier
Duncan
Ehlers
Ellsworth
Emerson
English (PA)
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hill
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Jindal
Johnson (IL)
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
Kucinich
Kuhl (NY)
LaHood
Lamborn
Latham
LaTourette
Lewis (CA)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
Marshall
Matheson
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McKeon
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Mitchell
Moran (KS)
Murphy, Patrick
Murphy, Tim
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Ramstad
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuler
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Taylor
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Walsh (NY)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOT VOTING—10

Baird
Cubin
Davis, Jo Ann
Engel
Harman
Jones (OH)
Lewis (KY)
McMorris Rodgers
Shays
Stark

□ 1601

Mr. GOHMERT and Mrs. BACHMANN changed their vote from ''yea'' to ''nay.''

So the conference report was agreed to.

The result of the vote was announced as above recorded.

EXPRESSING APPRECIATION TO COMMITTEE ON THE BUDGET STAFF

(Mr. SPRATT asked and was given permission to address the House for 1 minute.)

Mr. SPRATT. Mr. Speaker, I speak for myself, as the chairman of the Budget Committee, and for Mr. RYAN, as the ranking member, expressing our appreciation to our staff, who have done a marvelous job on both sides of the aisle in working together on this budget resolution that ultimately prevailed today.

I place into the RECORD the names of the staffers who have been key participants in the effort on our side of the aisle.

HOUSE BUDGET COMMITTEE STAFF

Tom Kahn
Sarah Abernathy
Ellen Balis
Arthur Burris
Linda Bywaters
Barbara Chow
Marsha Douglas
Stephen Elmore
Chuck Fant
Jose Guillen
Jennifer Hanson-Kilbride
Chris Long
Sheila McDowell
Richard Magee
Diana Meredith
Mark Middaugh
Gail Millar
Morna Miller
Namrata Mujumdar
Ifeoma Okwuje
Kimberly Overbeek
Kitty Richards
Diane Rogers
Scott Russell
Nicole Silver
Naomi Stem
Meaghan Strickland
Lisa Venus
Greg Waring
Andrea Weathers
Jason Weller

LEADERSHIP STAFF

Ed Lorenzen
Wendell Primus

PERMISSION TO REDUCE TIME FOR ELECTRONIC VOTING DURING CONSIDERATION OF H.R. 1427, FEDERAL HOUSING FINANCE REFORM ACT OF 2007

Mr. SPRATT. Mr. Speaker, I ask unanimous consent that, during consideration of H.R. 1427, pursuant to House Resolution 404, the Chair may reduce to 2 minutes the minimum time for electronic voting under clause 6 of rule XVIII and clauses 8 and 9 of rule XX.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

GENERAL LEAVE

Mr. FRANK of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1427 and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FEDERAL HOUSING FINANCE REFORM ACT OF 2007

The SPEAKER pro tempore. Pursuant to House Resolution 404 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the consideration of the bill, H.R. 1427.

□ 1608

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 1427) to reform the regulation of certain housing-related Government-sponsored enterprises, and for other purposes, with Mr. ROSS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered read the first time.

The gentleman from Massachusetts (Mr. FRANK) and the gentleman from Alabama (Mr. BACHUS) each will control 30 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to begin by again asking the indulgence of the House for my less than usual sartorial splendor, but the cast on my left arm would misalign my jacket, and I wouldn't want to wear a suit unless I could do it full justice. So I am wearing a sweater that Mr. ROGERS no longer needs.

The bill before us today is a version of a bill that came before this House in October of 2005 after a lot of work by the former chairman, the gentleman from Ohio (Mr. OXLEY), and many of us now on the committee. That bill passed the House by a vote of 331–90. Many of those who voted in opposition, myself included, were motivated to it by a specific provision regarding the affordable housing fund that is no longer in the bill.

Mr. Chairman, the bill has two major components. First, it significantly increases the strength of the regulator of the two major Federal housing government-sponsored enterprises, Fannie Mae and Freddie Mac. It also deals with the Federal Home Loan System. That was seen as less in need of drastic change. There is, in fact, less change there. There will be an amendment regarding that offered by the gentleman from Pennsylvania (Mr. KANJORSKI), which I strongly support, to increase public participation in that system. But this is a bill fundamentally about Fannie Mae and Freddie Mac.

There is general agreement among a wide range of parties that this bill, building on the bill that Mr. OXLEY brought to the floor, does do what needs to be done in creating a strong regulator. There are some controversial elements here, but very few deal with the powers of the regulator that we have set up. And I am pleased that the Treasury Department, Under Secretary Paulson and Under Secretary Steel, has agreed. In fact, this is a bill which, with regard to regulation and the regulator, is a little bit stronger than the one we passed a few years ago. We had some negotiations. They were useful, and we have a fully empowered regulator here, independently funded and empowered to do whatever needs to be done to deal with any safety and soundness issues that arise from Fannie Mae and Freddie Mac.

The most controversial areas of the bill involve a provision that was also in the bill when it last passed, and that is an affordable housing fund. A number of people have argued over the years that Fannie Mae and Freddie Mac receive from the Federal Government advantages which help them borrow money cheaply in the market, and that is true. There is a connection between Fannie Mae and Freddie Mac and the Federal Government. Those who borrow that money thinking that the Federal Government guarantees it are wrong. There is no Federal guarantee implicit, explicit, or any other way. But it is the case that the market does see these entities in a very favorable light and lends them money at a somewhat lower rate than other entities can borrow. The reason for its having been set up that way was to try to help housing, especially home ownership because these entities buy the mortgages and help bring down the cost of mortgages, but they have also been given for years goals by the law where they are particularly to help lower income housing.

Now, a number of people have argued over the years that Fannie Mae and Freddie Mac's shareholders, and in the past some of their executives, received too large a share of those benefits. The argument was, with some accuracy, that Fannie Mae and Freddie Mac benefited very much and not enough of that reached the public.

There are two ways you could deal with that. You could reduce the benefits that Fannie Mae and Freddie Mac get. Some people have advocated that. Alternatively, you could do what this bill does: leave the existing situation which provides some benefits to them but increase the share of those benefits that go for public purposes. We do that in two ways in this bill: First of all, and this does not appear to be terribly controversial, Fannie Mae and Freddie Mac have statutorily imposed goals. Some people have said these are private corporations and you shouldn't tell them what to do. Well, we have been doing that for a very long time. They are told that they must, in purchasing mortgages in the secondary market, make certain purchases that

help certain goals, low income housing, et cetera. We increase those goals. Secretary Jackson at HUD had been critical of them for not doing enough. We increase both the mechanism by which they held to those goals and the goals themselves.

□ 1615

But the newly controversial element to this is the Affordable Housing Fund. I say newly controversial because an affordable housing fund virtually identical to this one, financed through a different formula, but essentially the same in the amount of money and in the function, was in the bill that passed the House in October of 2005. At that time, the Republicans in the House voted for it 209–15. Now Members having once had an opinion are not required to hold it forever. But I do note that in October of 2005, 209 Republicans voted for the bill that had an affordable housing fund. Now that the fund has been, in the minds of some, transmogrified into all kinds of things which it is not. In economic terms, it very likely reduces the return, not by a huge amount, to Fannie and Freddie shareholders. Some have argued that it is going to raise the cost of mortgages. But ironically, many of those who argued that this will raise the cost of mortgages have supported even greater restrictions on Fannie Mae and Freddie Mac, particularly by limiting their portfolios, which would have many, many times greater impact on Fannie Mae and Freddie Mac's profitability, and therefore, their ability to help mortgages, than the Affordable Housing Fund.

The affordable housing fund takes some of the profit that Fannie and Freddie make, arguably a part of what they get from their Federal benefits, and said that it will be used for the construction of affordable housing. We have a serious crisis in America and a lack of affordable housing. We have been dealing with this for years by vouchers. Vouchers add to the demand for housing, but an annual voucher cannot create new housing, it does not add to the supply. We have a mechanism here where, without impinging on the Federal budget, without adding a penny to the deficit, in an entirely self-paid way, we take some money from Fannie and Freddie which reflects some of the benefit they get from their Federal arrangements and we recycle it into affordable housing. In the first year, all of that money, maybe $500 million, will go to Louisiana and Mississippi under this bill to replace the severe destruction of housing that has not yet been replaced a year and a half after the terrible hurricanes there.

For the future, the bill says it should be used for affordable housing annually, but leads to a later decision by this House and the Senate, I say optimistically, hoping we can get a decision from the Senate, and then to be signed by the President as to how to further distribute it. It creates the concept of an affordable housing fund. But we had in our committee various arguments. Some people wanted it to go through HUD, some through the State housing agencies. I believe that is a decision that we should make collectively, first in our committee, and then on the floor.

But we are not here doing anything other than saying the money will be available for a subsequent decision by the House that it will be spent. We do say that it has to be spent for housing, for bricks and mortar.

And there are going to be amendments that are going to be offered, let me say we tried to put safeguards in here against abuse. There are several amendments being offered, the minority whip has one, the gentleman from Texas, Mr. MCCAUL, has one, and some others have amendments, that will further tighten the constraints on this fund. I intend to argue for the acceptance of several of those amendments, at least three, that further tighten up the use of the fund. And I believe we will have accomplished that.

The question then will be, given that Fannie and Freddie get great benefits from the Federal Government, given that we have a housing shortage and a budget crunch in this country, does it make sense to take several hundred million dollars of the profits of Fannie and Freddie, which are enhanced by their Federal regulations and rules, and make them available for affordable housing? I believe the answer should be yes.

Virtually every entity involved with housing in America, from low-income housing advocates to the nonprofit and religious groups that help build housing, to the home builders and the realtors and the mortgage bankers, all support the notion of beginning to get the Federal Government back in the business of trying to do some affordable housing.

I hope that we can go forward with the bill. I do note we had 36 amendments; a couple I believe will be ruled nongermane. Nine or 10 I hope will be accepted without any controversy, including about five from each party. I did note that many of the others, about 18 of the others, are various ways of accomplishing three essential goals, making sure that illegal immigrants don't get the housing, either abolishing the fund altogether or restricting it.

I would hope that we could work out among ourselves some kind of representational thing so that we don't have to vote on all 18 amendments, many of which are duplicative of the others. And if we are able to work that out, I believe we will be able to get the bill through.

There is an important decision to be made about affordable housing. I believe many of the other issues the House previously voted on, I don't think there's a lot of controversy. We do have an important, legitimate, philosophic discussion about affordable housing. I am hoping that between us, we can structure things so we will have a couple of strong votes on that and we can send the bill forward.

Mr. Chairman, I submit the following correspondence:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
Washington, DC, April 25, 2007.

Hon. BARNEY FRANK,
Chairman, Financial Services Committee, Rayburn House Office Building, Washington, DC.

DEAR BARNEY, I am writing regarding H.R. 1427, the Federal Housing Reform Act of 2007, which was reported to the House by the Committee on Financial Services on Wednesday, March 28, 2007.

As you know, a provision within section 144 of H.R. 1427 would provide an exemption for a limited-life enterprise from Federal taxes, an authority which falls within the jurisdiction of the Committee on Ways and Means. The Ways and Means Committee has jurisdiction over all matters concerning taxes and the Internal Revenue Code of 1986.

In order to expedite this legislation for floor consideration, the Committee will forgo action on this bill, and will not oppose the inclusion of tax provisions within H.R. 1427. This is being done with the understanding that it does not in any way prejudice the Committee or its jurisdictional prerogatives on this or similar legislation in the future.

I would appreciate your response to this letter, confirming this understanding with respect to H.R. 1427, and would ask that a copy of our exchange of letters on this matter be included in the Record.

Sincerely,

CHARLES B. RANGEL,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FINANCIAL SERVICES,
Washington, DC, April 25, 2007.

Hon. CHARLES B. RANGEL,
Chairman, Committee on Ways and Means, House of Representatives, Washington, DC.

DEAR CHARLIE: Thank you for your letter concerning H.R. 1427, the ''Federal Housing Finance Reform Act of 2007''. This bill was ordered reported by the Committee on Financial Services last month. It is my expectation that this bill will be scheduled for floor consideration in the near future.

I acknowledge your committee's interest in a provision contained in section 144 of the bill which would provide an exemption for a limited-life enterprise from Federal taxes. Such matters concerning Federal taxation fall under the jurisdiction of the Committee on Ways and Means. However, I appreciate your willingness to forego action on H.R. 1427 in order to allow the bill to come to the floor expeditiously. I agree that your decision to forego further action on this bill will not prejudice the Committee on Ways and Means with respect to its jurisdictional prerogatives on this or similar legislation.

I will include this exchange of correspondence in the committee report and in Congressional Record when this bill is considered by the House. Thank you again for your assistance.

Sincerely,

BARNEY FRANK,
Chairman.

HOUSE OF REPRESENTATIVES, COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,
Washington, DC, April 27, 2007.

Hon. BARNEY FRANK,
Chairman, Committee on Financial Services, Rayburn House Office Building, Washington, DC.

DEAR CHAIRMAN FRANK: I am writing about H.R. 1427, the Federal Housing Financing Reform Act of 2007, which the Committee on Financial Services ordered reported to the House on March 29, 2007.

I appreciate your effort to consult with the Committee on Oversight and Government Reform regarding those provisions of H.R. 1427 that fall within the Oversight Committee's jurisdiction. These provisions involve the federal civil service and the Freedom of Information Act.

In the interest of expediting consideration of H.R. 1427, the Oversight Committee will not request a sequential referral of this bill. I would, however, request your support for the appointment of conferees from the Oversight Committee should H.R. 1427 or a similar Senate bill be considered in conference with the Senate.

This letter should not be construed as a waiver of the Oversight Committee's legislative jurisdiction over subjects addressed in H.R. 1427 that fall within the jurisdiction of the Oversight Committee.

Finally, I request that you include our exchange of letters on this matter in the Financial Services Committee Report on H.R. 1427 and in the Congressional Record during consideration of this legislation on the House floor.

Thank you for your attention to these matters.

Sincerely,

HENRY A. WAXMAN,
Chairman.

COMMITTEE ON FINANCIAL SERVICES,
Washington, DC, April 27, 2007.

Hon. HENRY WAXMAN,
Chairman, Committee on Oversight and Government Reform, House of Representatives, Washington, DC.

DEAR CHAIRMAN WAXMAN: Thank you for your letter concerning H.R. 1427, the ''Federal Housing Finance Reform Act of 2007,'' which the Committee on Financial Services has ordered reported. This bill will be considered by the House shortly.

I want to confirm our mutual understanding with respect to the consideration of this bill. I acknowledge that portions of the bill as reported fall within the jurisdiction of the Committee on Oversight and Government Reform and I appreciate your cooperation in moving the bill to the House floor expeditiously. I further agree that your decision to not to proceed on this bill will not prejudice the Committee on Oversight and Government Reform with respect to its prerogatives on this or similar legislation. I would support your request for conferees on those provisions within your jurisdiction in the event of a House-Senate conference.

I will include a copy of this letter and your response in the Congressional Record and in the Committee on Financial Services report on the bill. Thank you again for your assistance.

BARNEY FRANK,
Chairman.

COMMITTEE ON THE JUDICIARY,
Washington, DC, May 16, 2007.

Hon. BARNEY FRANK,
Chairman, Committee on Financial Services, Washington, DC.

DEAR MR. CHAIRMAN: This is to advise you that the Committee on the Judiciary has now had an opportunity to review the provisions in H.R. 1427, the Federal Housing Finance Reform Act of 2007, as approved by your Committee, that fall within our Rule X jurisdiction. I appreciate your consulting with us on those provisions. The Judiciary Committee has no objection to your including them in the bill for consideration on the House floor, and to expedite that consideration is willing to waive sequential referral, with the understanding that we do not thereby waive any future jurisdictional claim over those provisions or their subject matters.

In the event a House-Senate conference on this or similar legislation is convened, the Judiciary Committee reserves the right to request an appropriate number of conferees to address any concerns with these or similar provisions that may arise in conference.

Please place this letter into the Congressional Record during consideration of the measure on the House floor. Thank you for the cooperative spirit in which you have worked regarding this matter and others between our committees.

Sincerely,

JOHN CONYERS, Jr.,
Chairman.

Mr. Chairman, I reserve the balance of my time.

Mr. BACHUS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first let me thank the chairman of the Financial Services Committee, Mr. FRANK, for his openness throughout this whole process. We have engaged in committee, in both hearings and in markup, in quite a long discussion. On most occasions, we came together; there was a consensus. And that's good. On other issues in this legislation we parted company, we had disagreements. That was the bad. There were one or two occasions where we had strong disagreements. Let's first talk about the things we agree as a body, both Republicans and Democrats.

I think we all agree that the government-sponsored entities, Fannie Mae, Freddie Mac, Federal home loan banks, that they play an important role in the American economy, and more importantly and more specifically, in homeownership.

Homeownership in America is at an all-time high. You go to any country in the world and homeownership rates come nowhere near what they are in America. I think it was the legislation that this Congress, many, many years ago, passed in setting up these GSEs that has resulted in more affordable housing, readily available opportunities to own a home and realize the American Dream.

Now, in recent years, the growth of our government-sponsored entities has been astounding. In fact, let me give you three figures. And if you hear nothing else that I say out here today in support of establishing a strong independent regulator over these entities, it is this fact: Fannie Mae and Freddie Mac, excluding the Federal home loan banks, but those two entities hold $3 trillion worth of debt. When you add mortgage base security obligations, it is $5.2 trillion. Now, you may say well, what is $5.2 trillion? I can't visualize that. And I don't know any of us that could get our arms around that. I'm not sure any of us appreciate how big that is. But let me compare it to the public debt held by the U.S. Treasury. The entire public debt of the U.S. treasure is $4.9 billion. In other words, the debt of Fannie Mae and Freddie Mac is greater than the debt of the U.S. Treasury. That is an astounding number.

We came together, both in 2005 and again this year, and we said we must establish a strong, independent regulator with power to make changes and oversight, and if necessary, forbid it to ever be the case that these entities became illiquid, to step in and prevent what would be, in either occasion, a devastating blow to the U.S. economy.

In 2005, we brought a bill to the floor and we passed a bill establishing a small regulator. Now, the chairman has pointed out that this is almost the same bill that we had in 2005, yet many Republicans who are going to vote no today voted yes then. That appears to be a contradiction. He has pointed that out. The lady from California has mentioned 2 years ago I was in support of the bill that came out of this floor. I voted to send it to the Senate. They pointed out earlier today, in debate on the rule, that the gentleman from Texas (Mr. SESSIONS), he voted for the bill, now he is voting against the bill. There are differences.

Now, the gentleman from Massachusetts says there are no differences. If you are voting against the bill today, why did you vote for it 2 years ago? He asked that question a few minutes ago. Why did we? Why did we vote for it 2 years ago and vote against it today? Different circumstances.

Two years ago, I will remind the chairman, the gentleman from Massachusetts, the gentlelady from California, the ranking member of the subcommittee, the gentleman sitting there from Texas, Mr. GREEN, Mrs. MALONEY, who is here, the gentlelady from New York, they have all said why in the world are you changing your vote? Well, let me say to the entire body, there is a change in circumstances. And let me offer this as proof.

Two years ago, this was ''the same bill.'' The chairman, the gentleman from Massachusetts, voted against the bill 2 years ago. The gentlelady from California, who says why are you changing your position, she voted against the bill 2 years ago. The gentleman from Texas voted against the bill. The gentlewoman from New York voted against the bill. Let me tell you what some of those circumstances are.

Let me say this to the gentleman: This bill, in many respects, is better than the bill 2 years ago, and we need to pass this bill. And I predict, the gentleman from Massachusetts, the gentlelady, the subcommittee chair from California, this bill is going to go to the Senate. But we do have objections to this bill, and we are going to protest those objections by voting against the bill.

Two years ago, this is exactly, when you all were in the minority, the reason you voted against it. You voted against it. It's not the same bill.

Now, what is it that we find uncomfortable about this bill? It is not that we are establishing a strong regulator. It's that we are doing things that run contradictory, counter to what we are trying to do here today. And what are we trying to do? We are trying to assure the safety and the soundness of Fannie Mae and Freddie Mac. We are also trying to make them more independent and not beholding on the government. We are saying, quote, this implicit guarantee that the government will stand behind the GSEs, that we are going to establish an independent regulator and we are going to try to move in a direction where they are more independent and they function more like a private corporation, which was as originally conceived. But then, right in the midst of saying that, we established additional costs on Fannie and Freddie. And they are opposed to that, they are opposed to the additional costs.

We say we are going to make them sounder, more independent, more stable, and then we put on them an obligation of $3 billion, a cost. We say that we are going to take this occasion, the reason for this bill is because we are going to establish a strong regulator. We are going to do that to make them safer. And yet at the same time you say, we're going to increase their costs by $3 billion over the next 5 years.

□ 1630

We are going to make them pay a part of their profits into a fund.

Yes, let me say this: There is a problem in our country, a problem of the lowest income Americans, and I have said this, I have said this in committee, I will say it on the floor of the House; probably the group of Americans most in need of shelter are the lowest income Americans. And they, and the chairman and I are in agreement on this, are the ones who need affordable rental properties. We need to do something about that. We need to address that. We have presently 50 or 60 housing programs, and part of their responsibility is to address that need.

Now, what we ought to do before we establish yet another Affordable Housing Fund, we ought to see why the 50 or 60 that we have that are spending hundreds of billions of dollars, why they are not meeting this need, why money is being wasted, why there is still an unacceptable amount of fraud. Why don't we clean up and make more effective and efficient those housing programs that address those needs, instead of turning around and creating yet another housing program?

Not only do we address a goal that we have 50 or 60 other Federal programs which are supposed to address this, but how do we address it? First, we talk about how important the financial stability of the GSEs are, but yet we say that over the next 5 years we are going to make you pay $3 billion, $500 million a year, into yet another Federal housing program.

Then we do something else, because there is a chain reaction. Where does this money come from? Well, it comes from middle and low income American homeowners that Fannie Mae and Freddie Mac are holding their mortgages or mortgage-backed securities. So where do Fannie and Freddie get that money? Because they don't print money. Well, they will have to get it from only one place, and that is their customers, their clients. That is every low and middle income American that takes out a mortgage. They will pay into this fund.

Now, who won't pay into this fund? Upper class Americans, and many upper-middle class Americans, they won't. There will be no obligation on their part on this $3 billion. In fact, what is the mission of Fannie and Freddie? It is to promote affordable housing for low and middle income Americans. And yet those are the very Americans that you are going to make it not quite as affordable for, because you create a $3 billion obligation.

Mr. BLUNT, the gentleman from Missouri, calls it a tax on middle class Americans. Now, I would say it is not a tax on all middle class Americans, it is a tax on middle class American homeowners, and he has said that. But we probably should, in fairness, include the low income Americans who will pay into this fund. We probably ought to include them.

Because we are establishing a $3 billion obligation, on behalf of American homeowners, low and middle income, we are going to offer an amendment to take out what is really an extraneous provision in this bill, and that is a bill to create yet another Federal Affordable Housing Fund.

We are going to do a second thing. We are going to offer amendments that say if there are benefits to this Affordable Housing Fund, and if it does pass, it ought to inure to the benefit of American citizens, those who live in America and who are citizens of America. There will be four or five amendments to do that.

We are going to oppose this fund. We are going to lose later tonight when the vote is taken. It will move over to the Senate, and, if it passes the Senate, there will be another $3 billion Federal housing program.

We are particularly concerned about, because when the FHA bill came up 3 weeks after this bill came up and we created in committee a $3 billion new Federal housing program, we raised FHA fees and we created another placeholder in that bill that will move out here, we created another Federal housing program to add to the tens of programs we have, or maybe it is over 100 programs. I am not sure. I have quit counting.

But in every bill that we bring out of the Financial Services Committee, are we going to establish a new multi-billion dollar plan to help low income Americans with affordable housing? And if we do, if we do, are we going to raise the cost to low and middle income Americans to purchase a home, the cost of that mortgage? Or are we going to increase their FHA fees when they do use and utilize FHA, have an FHA-backed mortgage?

What we said in committee during this whole subprime situation, and I will say the chairman and I tried to address that last year, and I really wish we had, we both have seen this coming for a long time. He and I are both happy that the regulators have started moving, and we will just see if that is enough.

But with all these problems in subprime lending and a reduction in liquidity in the mortgage market, we have said many times people are going to need to avail themselves of the FHA. But yet, just like we did in this bill, we increase the cost to those homeowners. It simply does not make sense.

Now, the chairman from Massachusetts says, oh, no, we are not increasing the cost to those who avail themselves of an FHA mortgage. We are not increasing the cost for the tens of millions of Americans who depend on Fannie and Freddie to reduce the cost of their mortgage. We are not getting it from them. We are getting it from Fannie. We are getting it from Freddie. We are getting it from the FHA.

Where do they get their money? They get it all from the homeowners. They don't get it from the Treasury. They get it from the homeowners, and these are the people we are going to tax when we pass this bill today.

So we are opposed to this bill. We are protesting the inclusion in this bill of yet another Federal housing assistance program, and we are taxing low and middle income Americans.

Now, in fairness to the chairman, a lot of this money will go to Louisiana and Mississippi over the first 2 or 3 years. In fact, because of that, there were Republicans, particularly 2 years ago, that rushed into helping on this bill because a lot of it was going to Katrina. But just 3 months ago we passed a massive bill in this House in Katrina relief. We agreed on the number it would take and we passed it.

Yet, here we go again with more money for Katrina, if we need more money for Katrina relief, and that relief is going to go into 2009 now, we are going to pay for years in the future for people who are displaced by that to continue to have shelter. We keep saying, well, 6 more months. Then we extend it another 6 months and another 6 months. And here we go again. Three months ago we passed what we said would probably be an amount we pretty much all agreed on, I thought, for Katrina relief. But yet here we go again.

Mr. Chairman, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I am disappointed frankly at a number of inaccuracies in my colleague's statement. In the first place, with regard to Katrina, the bill that we passed had zero money for new construction, and if he will go back, he apparently forgot, he will see we constantly said during the Katrina bill that we intended to provide the new housing construction money through this bill.

His assertion that there is some duplication could not be more wrong. We were very clear then. The Katrina bill dealt with vouchers. It had one 4,500-unit section with regard to some project vouchers. But throughout the Katrina bill, it was clear that it was a two-step process. This was the second step. There is zero duplication. Nothing in that Katrina bill did any significant increase in housing construction.

Secondly, he notes that I and the gentleman from California and the others voted against the bill last time, as I said earlier today, for one specific reason. The Rules Committee, over the objection of the Committee on Financial Services at that time, injected into the housing fund amendments that would have kept the Catholic Church and the Methodists and all the other religious organizations that were interested in building housing from participating.

We had one very specific objection. At that time the fund was going to be administered directly by Fannie and Freddie. There was a fear that they would use it politically. So one specific amendment was put in by the Rules Committee, we weren't even allowed to vote on it on the floor, and it would have restricted religious groups from participating. For that reason only, we voted against the bill. Since this does not allow Fannie and Freddie to spend the funds, that is out there. That is why we are being perfectly consistent in now voting for it.

The gentleman from Alabama, everything he said about the housing fund was in the bill he and 208 other Republicans voted for in 2005. Every single thing.

The gentleman has told me that he is philosophically opposed to the Housing Trust Fund. Then why did they all vote for it, those who share that opposition, 2 years ago?

The final thing, the gentleman from Illinois is here. The gentleman from Alabama inaccurately said we were raising FHA fees. In fact, the FHA under the Bush administration asked us to raise fees. Last year, the House passed a bill that would have allowed them to raise fees. The gentleman from California and I objected to some of those increases. Our bill restricts the FHA's ability to raise fees above what they wanted. In fact, what we got was an amendment at that markup from the gentleman from Illinois substituting last year's bill that most of the Republicans voted for. That would have allowed the FHA to raise fees far more than us.

So I don't understand how the gentleman from Alabama, who voted with the gentleman from Illinois to allow the FHA to raise fees further now blames us when we passed a bill that would have restricted their ability to raise fees above what they wanted. Maybe people got to go back and look at what they voted for and look at what they offered. The staff will have time. We have time to do that.

Mr. Chairman, I yield 3 minutes to the gentlewoman from California.

Ms. WATERS. Mr. Chairman, I rise in support of this legislation, and I commend the chairman for the work that he has done, the leadership he has provided and the hard work of the Members of this committee to get this bill to the floor.

There are no great issues that separate us on this bill. We have worked out all of those issues. We all agree there should be stronger oversight. We all agree that we had to get rid of OFHEO, we had to have a stronger agency. We were all concerned about the tremendous debt of the GSEs. So that is all behind us. There is only one thing that separates us, and that is the Housing Trust Fund, and that is philosophical.

We believe that given the housing crisis in America we have a responsibility to assist those who cannot afford decent housing, who are living on the streets, who are paying much more than 30 percent of their income. We believe we have a responsibility to assist them, to help them.

□ 1645

The other side of the aisle does not believe that government should play any role in helping the least of these get into public housing.

The generally accepted definition of affordability is for a household to pay no more than 30 percent of its annual income on housing. Families who pay more than 30 percent of their income for housing are considered cost burdened, and often have difficulty affording necessities such as food, clothing, transportation and medical care.

We are not talking about housing for any one section of this country. It is all over this country. In Mr. BOEHNER's district, the Eighth District: 64,759 renter households, including 14,713 extremely low-income households. Of these extremely poor households, 57 percent are paying more than half of their incomes for housing. In the Eighth District, there is a deficit of 7,497 units that are affordable and available to extremely poor households.

In Mr. BLUNT's district, the Seventh District of Missouri: 76,034 rental households, including 13,885 extremely low-income households. Of these extremely poor households, 57 percent are paying more than half of their incomes for housing. In the Seventh District, there is a deficit of 7,580 units that are affordable and available to extremely poor households.

But let's not stop there. In Mr. BACHUS' district, in the Sixth District of Alabama: 55,217 renter households, including 9,525 extremely low-income households. Of these extremely poor households, 50 percent are paying more than half of their incomes for housing. In the Sixth District, there is a deficit of 4,141 units that are affordable and available to extremely poor households.

I could go on and on. This is about the housing trust fund. I would ask my colleagues to support the least of us in America, and reject the argument from the other side of the aisle.

Mr. BACHUS. Mr. Chairman, I yield 5 minutes to the gentlewoman from Illinois (Mrs. BIGGERT).

Mrs. BIGGERT. Mr. Chairman, I thank the gentleman for yielding. I rise to talk about this bill and I will hold the debate on FHA until that bill comes to the floor.

I would like to thank Chairman FRANK and Mr. BAKER for introducing this year's GSE bill to establish a new and stronger regulator for the GSEs and the Federal Home Loan Banks.

Like last year's legislation, this bill aims to give the new regulator clear direction about its authority, available tools and mission. With this enhanced authority and guidance, the new GSE regulator can guide the GSEs to be most effective for homeowners, market participants, financial institutions, and taxpayers.

The overall purpose of the GSE reform bill is to create a strong, world-class regulator, and I think in this bill we direct the new regulator to review and set portfolio limits, establish minimum capital requirements, and review new programs and products.

However, unlike last year's legislation, I think this year's bill introduces a new, extraneous provision that does not permit the new regulator to focus solely on these very important duties. This bill does not isolate this regulator from political influence, but rather establishes a stream of cash that is financed on the backs of the American homeowners. Why do I say this? What is the affordable housing trust fund; does anyone know? And why would we allow GSE money to be diverted to an unknown, non-existent entity? This was not in last year's bill.

Last year's bill permitted Fannie Mae and Freddie Mac to manage an affordable housing fund. This year's bill permits the new regulator to establish and regulate the fund. I don't think that it is appropriate for this new regulator to manage the affordable housing fund.

The provision establishes a formula to allocate funds to States and Indian tribes which would in turn determine which organizations receive the funds. The new GSE regulator is tasked with establishing regulations to determine the prescription for States to distribute the funds. And as stated in

House Report 110–142, ''This bill provides that funds allocated for the affordable housing fund, may be transferred at a later date to a national affordable housing trust fund that may be subsequently enacted into law.''

We just don't know what is going to be the amount of money, where it is coming from, except if we determine that it is estimated that it would extract $3 billion in assessments from Fannie Mae and Freddie Mac over a 5-year period. There is no dollar limit as to how large this fund can become. Where will this money for the fund ultimately come from? It will come from low and middle income Americans seeking to purchase a home or refinance an existing mortgage. Hardworking, low income and middle income Americans who are trying to have their part of the American dream will ultimately be footing the bill for a national housing trust fund, the purpose of which has not yet been determined in law. Taxing hardworking American homeowners is not the way to fund new affordable housing.

I share the chairman's commitment to increasing the stock of affordable housing for low-income Americans, but this fund is the wrong way to achieve this objective.

Therefore, I would urge my colleagues to take a look at the Bachus amendment to strike the affordable housing fund section of this bill. I think we have a really good bill here. It is similar to last year's bill. I know that we have talked about this in the committee, we should have hearings and further discussions on the need to build more affordable housing in this country, how it can be done and how it can be financed, and particularly what this new affordable housing fund means.

So with that, I urge my colleagues to, at this time, not support this bill.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 3 minutes to the chairman of the Subcommittee on Capital Markets, the gentleman from Pennsylvania (Mr. KANJORSKI).

Mr. KANJORSKI. Mr. Chairman, I would like to extend my congratulations to Chairman FRANK and to Ranking Member BACHUS, two individuals that may sound more in disagreement today than they really are.

I want to talk about, particularly, the passage of this bill, and let us understand that since March of 2000, we have had hearings and have attempted to get to a new regulator for the government-sponsored enterprises of Fannie Mae and Freddie Mac, and ultimately the Federal Home Loan Banks. We came very close 2 years ago. We passed it through this House. It didn't make it through the other body. We have an opportunity in this Congress to accomplish that.

As a matter of fact, one of the compliments to Mr. FRANK is he didn't run out there wholesale and create all kinds of new gadgets in this bill. Basically, this bill is 99.44 of 100 percent the same as we did in 2005.

What will it accomplish? It is going to get us a world-class independent regulator, as the ranking member said, for $4.9 trillion worth of securities. I think that is important.

Here the major opposition that is being discussed is really philosophical in nature. I think MAXINE WATERS was very correct in that analysis. We are arguing over $500 million a year, and we are talking about an institution that has $4.9 trillion that we have to regulate, and know that in the last several years, there were errors and mistakes and potentially even fraud committed in these organizations as a result of the weakness of our regulators.

So we went to great lengths in a bipartisan way to have these hearings over the last 7 years and to say, let's create a regulator that we can all be proud of. But more than being proud of, that we can be relatively certain that the securities market and the investments of the United States in the real estate area are going to be safe and secure, and I think this bill does that.

Now this little argument that we have over the trust fund, $500 million a year potentially, if you think about it, it amounts to about a day and a half of what we spend in Iraq every damn day. A day and a half.

Now you can argue that we don't need any housing in the United States, and I think you can credibly make that argument if you are of that philosophical bent. And of course, on this side of the aisle, because we probably are closer to the people who do need that housing, we can make the argument that there is need. But never in anybody's mind should an argument of that minute an amount stop the passage of legislation which will allow us to get control and containment over $4.9 trillion of American taxpayer money.

Mr. BACHUS. Mr. Chairman, I thank the gentleman from Pennsylvania for his sincerity, and I yield 2 minutes to the gentleman from California (Mr. GARY G. MILLER).

Mr. FRANK of Massachusetts. Mr. Speaker, I will yield an additional 2 minutes to the gentleman from California.

Mr. BACHUS. I appreciate that. That really is evidence again of the bipartisan approach we have had on this committee.

Mr. FRANK of Massachusetts. Well, it will be if you vote with him.

Mr. GARY G. MILLER of California. Mr. Chairman, I want to thank the chairman and Mr. BACHUS for yielding me this time.

I know this has been an issue that they have been working on for years, the same as I have. For the last 3 years, this has been a focus for us dealing with this issue that has been impacting and in many ways very beneficial to the housing market.

I commend Chairman FRANK and Secretary Paulson for their hard work to strike an agreement so we can move this important reform legislation forward.

We must provide for a strong regulator for the GSEs so that investors and the markets are assured that these companies are sound and that their investments in America's housing markets are safe.

This bill recognizes that strong regulation provides a means to achieve our ultimate goal of expanding supply of affordable mortgage credit throughout this Nation.

The goal in the process we have taken today is to preserve the mission while strengthening the authority of the regulator. We have been working on this issue for a number of years. Through this lengthy legislative process, I have asked my colleagues to be mindful that as we addressed deficiencies in GSE supervision, we must not lose sight of Congress's original intent that chartered the GSEs. The mission of Fannie Mae and Freddie Mac is to provide stability and on ongoing assistance to the secondary market for residential mortgages, and to promote access to mortgage credit and homeownership throughout the United States.

The bill before us today builds upon the bill that passed the House under the leadership of former Chairman Oxley in 2005. That bill passed by an overwhelming vote of 331–90. As I was looking back at the RECORD at that point in time, it surprised me that based on the comments made by the administration at that time, they are saying that the bill today creates a stronger regulator than the one we passed in 2005.

And I was surprised to read that the bill before us today, the administration, unlike the bill passed in 2005, which Treasury opposed then because it failed to provide a strong regulator that could protect the safety and soundness of the housing financial system, today the bill they say ''provides for a fully empowered, independent world-class regulator that can deal with any safety and soundness issue that might arise.'' I had no idea back at that time they opposed it; but I knew they supported it today.

The affordable housing fund, I vote repeatedly to strike that. I have never supported it. I didn't support it when Chairman Oxley put it in the original bill. I know many Members on my side oppose this. However, I continue to share the view of former Chairman Oxley that a stronger, more effective regulator of the housing GSEs is absolutely critical and outweighs our philosophical opposition to the fund.

I voted for that bill then, and I am going to vote for this bill tonight. This legislation provides for a strong regulator for the GSEs so that investors and the markets are assured that those companies are sound and an investment in the American housing markets are safe.

Improved regulation will provide a means to achieve our ultimate goal of expanding the supply of affordable mortgage credit across this country.

GSEs have been at the forefront of creating affordable housing opportunities for families, and we must ensure that they are successful in the future.

This bill does something that I am very supportive of, and I worked on for 3 or 4 years now. It deals with conforming loan limits in high-cost areas. If you happen to live in Hawaii, Alaska, Guam or the Virgin Islands, you can get a loan for 150 percent of conforming today. But if you live in a high-cost area of California or other parts of this country, you cannot. If you look at the benefit on the marketplace today, especially in California, we are having severe problems in the jumbo market area where the foreclosures and defaults are excessive, and I believe if the conforming marketplace were there today, we would have less problem than we are seeing today.

□ 1700

The foreclosure rates are out of control. If you look at the jumbo market in California, the problem we're facing is that only 18.1 percent of the jumbo loans that are made are fixed, 30-year loans; compared to conforming marketplace, 82 percent are fixed 30-year loans. In the jumbo marketplace, 34.9 percent of the jumbo loans are interest-only ARMs.

I thank you.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentlewoman from New York (Mrs. MALONEY), the chairwoman of the Financial Institutions Subcommittee.

Mrs. MALONEY of New York. Mr. Chairman, I thank the gentleman for yielding and for his strong and creative leadership in the passage of this tremendously important bill for American homeowners and for those who are in desperate need of affordable housing.

I wish to be associated with the comments of Mr. FRANK and Mr. GARY MILLER on these conforming loan limits in high income areas such as the area I represent in New York City. It's very important for affordable housing.

Keeping with the bipartisan spirit of the Financial Services Committee, this bill was reported out with a strong bipartisan vote of 45–19, and when it passes today, it will completely overhaul and strengthen the regulatory oversight of the GSEs, the government-sponsored enterprises, of Fannie Mae, Freddie Mac and the Federal Home Loan Banking System, and it will create a new independent regulator with broad powers, similar to those of current banking regulators.

It also requires Fannie and Freddie to establish an Affordable Housing Fund, something that should have been done long ago. It's important for affordable housing in our country, and I congratulate the leadership of Mr. FRANK and Mr. BAKER and Mr. Oxley in moving this fund forward. Contributions will be based on the average total mortgage portfolio which will include all mortgages, whether held for investment or securitized. It will be distributed through the States.

And very importantly, the first year the money will go to the ravaged area of Katrina and Rita where people are living without housing. It is tremendously important. It is creative and it addresses a desperate need in our country.

In addition to the affordable housing goals that apply to Fannie and Freddie, we enhanced the bill in a number of ways, including a provision that I sponsored along with Mr. BAKER, to encourage the creation of home-based child care centers. My Kiddie Mac amendment will do that. It will make day care more affordable and available.

I congratulate everyone. Please vote for this bill.

Mr. BACHUS. Mr. Chairman, I yield myself such time as I may consume.

Let me close by acknowledging the many positive aspects of this bill and just reiterate that had it not been for the creation of our new Affordable Housing Fund, a new government program, we would have had consensus here. But that should not distract from the fact that we do need a strong independent regulator, as the gentleman from Pennsylvania said.

Mr. Chairman, with that I yield the balance of my time to the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. Mr. Chairman, I thank the ranking member for yielding, and I thank him for his leadership on this bill.

I also wish to thank our chairman who, although I have deep philosophical differences with, was certainly fair in his deliberations and more than fair in the amendments that he has allowed here this evening.

Indeed, I think that the conflict today comes down to the so-called Affordable Housing Fund. Many on this side of the aisle do not feel that in this bill, which is supposed to provide a strong regulator for Fannie and Freddie, that we need to be expanding big government.

And regardless of the rhetoric on the other side, according to OMB, Federal housing assistance has grown 73.8 percent in the last 10 years. Yet, this bill creates another new housing program on top of the 90 other HUD programs ostensibly designed to make housing more affordable.

Meanwhile, the Democrat majority earlier this afternoon made housing less affordable by imposing the single largest tax increase in American history on the American people, threatening the home ownership of millions.

Next, this fund is supposed to be transferred to some shadowy, amorphous, ill-defined housing trust fund, which to many of us appears nothing less than a new entitlement spending program for the 21st century. This is on top of the entitlement spending that threatens to bankrupt the next generation, will force them to double their taxes, will shatter their dreams of home ownership, and yet we appear to be adding yet another entitlement spending program.

Next, the fund represents a dangerous precedent and another surreptitious tax increase. On top of the single largest tax increase in American history, now our friends from the other side of the aisle are going to impose a home mortgage tax on the American people, using the Federal nexus to levy a special tax on Fannie and Freddie, which due to their duopoly status in the marketplace they can effectively pass on to home buyers in the way of higher mortgage interest so that this can be conduited into third party groups.

This bill ignores the greatest affordable housing program known in this country, a good job and a low tax rate. The bill imposes new mortgage taxes on Americans and must be rejected.

Mr. FRANK of Massachusetts. Mr. Chairman, may I inquire how much time remains on my side?

The CHAIRMAN. The gentleman from Massachusetts has 9 minutes remaining.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina (Mr. WATT), the Chair of the Oversight and Investigations Subcommittee.

Mr. WATT. Mr. Chairman, I thank the chairman of the committee for yielding time.

I rise in support of the bill. The bill deserves our support for two important reasons. First of all, it establishes a strong regulator in an area that has cried out for greater regulation, and I think we understand that looking back on what has happened at Fannie Mae and Freddie Mac over the last several years.

Second of all, the bill establishes a trust fund that is very similar to the housing trust fund for which over 200 of the Republicans voted last year. So I really am surprised to find that this year all of the sudden there is all of this opposition to the trust fund.

So I want to spend a minute talking about the trust fund. First of all, it is a housing trust fund, and Fannie Mae and Freddie Mac are designed to incentivize more housing for middle income and low income people. So it's absolutely consistent with the purposes for which they were founded.

Second, the ranking member of our committee made it sound like this is going to increase the cost of housing for middle income people and low income people. In fact, what we need to focus on is that this money will either go to the stockholders of Fannie and Freddie or it will go to the purpose for which Fannie and Freddie was originally formed.

So this is not a choice between raising taxes or not. This is fulfilling the purpose of these two entities.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 1½ minutes to the gentleman from New Jersey (Mr. SIRES), a member of the committee.

Mr. SIRES. Mr. Chairman, I first would like to thank Chairman FRANK for his efforts in bringing this bill to

the floor today, and it's because of him this bill is supported by the Treasury Department and the very government-sponsored entities the bill impacts.

I rise today in strong support of H.R. 1427. It creates a single regulator of the three government-sponsored entities. By having one regulator, future problems in the housing economy will be prevented by providing real and strong oversight of the secondary mortgage market.

Secondly, this bill creates an Affordable Housing Fund. This fund will provide an opportunity for millions of working Americans to afford housing that will allow them to raise their families in a safe and stable environment. Some will even be able to buy a home because of this new fund.

Hardworking Americans want a safe and stable place to call their own. We have the opportunity here today to support the American dream of home ownership by passing H.R. 1427. And just as important, we can do this with proper oversight.

I urge all my colleagues to join me in supporting H.R. 1427.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 1½ minutes to the gentleman from New Hampshire (Mr. HODES), another very able freshman member of the committee.

Mr. HODES. Mr. Chairman, I thank the gentleman for yielding and for his tremendous leadership on this committee.

I rise in support of H.R. 1427. This bill provides an overhaul of the government-sponsored entities, and it creates a much-needed, unified regulator for all GSEs.

Now, it was the high-profile accounting scandals at Fannie and Freddie in recent years that demanded that Congress restore accountability and strengthen oversight in these institutions.

So this bill creates a strong, independent regulator at Fannie Mae, Freddie Mac and the Federal Home Loan Bank System with broad powers comparable to those of Federal bank regulators. The bill also creates an Affordable Housing Fund to be managed by the new GSE regulator.

I want to thank Chairman FRANK for creating the Energy Efficiency Task Force on the Financial Services Committee. I am pleased to serve on this task force, chaired by my colleague from Colorado, Mr. PERLMUTTER. The task force is dedicated to greening the financial services community, and in connection with H.R. 1427, we included an important provision that would incentivize Fannie and Freddie to purchase green mortgages. This provision is a great first step toward our goal.

This is a bipartisan bill, and it is widely supported by financial institutions, lenders, housing industry participants, housing groups and other financial service providers.

So when I hear the colleagues on the other side of the aisle speaking against the unified regulator, they are standing against accountability and oversight. And when I hear them speaking against an Affordable Housing Fund, they are standing against poor people in this country who need our help.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentlewoman from California (Ms. LEE), an alumni of our committee who despite having left us still thinks of us from time to time, and she's one of the originators of the notion of an Affordable Housing Trust Fund.

Ms. LEE. Mr. Chairman, let me first of all thank our Chair, Congressman FRANK, for his leadership and for yielding; also, Congresswoman Maxine Waters for her very diligent and hard work in crafting this bill.

The American dream of home ownership is quickly turning into a nightmare for many, and this bill really does begin to turn this around. And yes, as a former member of the Financial Services Committee, I had the opportunity to work with our Chair. This was when I was first elected, probably in my first or second term, to really craft a housing trust fund, along with our former colleague, now-Senator, BERNIE SANDERS, and this bill incorporates and would authorize and create a new Affordable Housing Trust Fund.

For many years, housing has been a big issue for many of us here. Many of our districts are unaffordable, and this American dream of home ownership is turning into a nightmare.

This bill, the Federal Housing Reform Act of 2007, will really help accomplish the objective of our first national housing trust fund. It increases home ownership for extremely low and very low income families. It provides for increasing investment in housing in low income areas; for increasing and preserving the supply of rental and owner-occupied housing for extremely low and very low income families. It also increases investments in our public infrastructure and development in connection with housing assistance. And it also leverages investments from other sources in affordable housing and in public infrastructure development.

I want to commend our colleagues again for engaging with our 5,200 national, State and local organizations and leaders that worked for many, many years to create a national housing trust fund. Just yesterday, I met with my board of realtors from Oakland, California.

I just want to say thank you again to Mr. FRANK for making sure that this is real.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Ohio (Ms. KAPTUR), another dedicated advocate for housing in many capacities.

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Ms. KAPTUR. Thank you very much, Mr. Chairman.

Mr. Chairman, I want to express deep appreciation to Chairman FRANK, Ranking Member BACHUS and certainly to Congresswoman MAXINE WATERS of California and CAROLYN MALONEY of New York, who really fashioned a bill that deals with the prolonged housing market slump, due in large measure to increasing rates of foreclosure.

The State of Ohio welcomes this measure. We have been particularly hard hit. The credit gap in Ohio is estimated between $14 and $21 billion, as over 200,000 more mortgages will reset at higher rates over the next 2 years. We don't need any more vacant units depressing the housing market in our region.

Government-sponsored entities can and should play a major role in reversing this trend. This bill does that. I would oppose any amendments designed to weaken or eliminate the much-needed National Housing Trust Fund. Homeownership is the most important savings account that any American family accumulates.

In passing this legislation, we assure that this Congress understands that as well as the necessity of keeping our housing market strong as fundamental to bolstering the economy of our entire country and helping it grow.

Chairman FRANK, I deeply thank you on behalf of the Governor of Ohio and all the people of Ohio who are looking to us for leadership to help them hold on to their most important asset, their home.

Mr. FRANK of Massachusetts. All the people of Ohio are welcome. How much time do I have remaining, Mr. Chairman?

The CHAIRMAN. The gentleman from Massachusetts has 30 seconds remaining.

Mr. FRANK of Massachusetts. Mr. Chairman, I would take it to say that we often focus on what we disagree on. Let's be clear.

We agree on the strongest regulator that you could possibly have and still be workable. The gentleman from Louisiana is here, he was one of those who started on it; the gentleman from Ohio who has left, Mr. Oxley. Many of us worked on this. We will be arguing about the housing fund.

But let's be clear that what this House will be doing overwhelmingly is create a strong regulator. As to the affordable housing fund, I would just say this, the notion that all of this comes out of the mortgages and not out of the shareholders is bad economics. Fannie and Freddie do not have monopoly power such that they can pass on every cost to the customer and absorb none of it themselves.

Mr. HOLDEN. Mr. Chairman, I rise in support of H.R. 1427, the Federal Housing Finance Reform Act of 2007.

Appropriate regulation for Fannie Mae, Freddie Mac and the Federal Home Loan Banks is crucial to the overall health of housing and communities throughout America. I commend both Chairman FRANK and GSE Subcommittee Chairman KANJORSKI for their diligent and thoughtful work on this legislation.

An issue of concern to me and many in my district is the effect of the legislation on the

FHLBank System. Their inclusion in this bill is not due to a perceived lack of proper regulation, but from a widely held desire to place the three housing GSEs under one ''world-class'' regulator capable of monitoring their complex financial information. Despite their similar benefit to the housing market and use of complex hedging transactions, the GSEs are different, and I believe the new regulator must recognize the differences in their business models, products, and missions.

This legislation recognizes these differences by creating separate divisions within the new regulator: one for the FHLBanks, and for Fannie Mae and Freddie Mac. In fact, the bill also makes clear that the mission of FHLBanks is different, and not only deals with housing finance but economic and community development as well.

In addition to the Affordable Housing Program (AHP), which has provided $5 million in funds supporting over 1,000 units of housing in my district, the FHLBank of Pittsburgh operates a number of programs that support community and economic development.

Their ''Banking on Business'' (BOB) program helps eligible small businesses with start-up and expansion costs. Each dollar in BOB funding typically leverages an additional six dollars in financial resources to small businesses in the region, thereby creating or retaining jobs. Since 2000, FHLBank Pittsburgh has funded more than $27.5 million in BOB funding to assist small businesses in their three-state region, creating or retaining more than 3,821 jobs.

In my district alone, the FHLBank Pittsburgh has provided over $1.5 million in BOB financing, supporting 18 small businesses and leveraging over $17 million in additional funding. The BOB program works in partnership with leading community banks in a number of very important efforts. For example, Leesport Bank used BOB to provide $180,000 for Hamburg Industries, Inc. to assist in expansion costs. Hamburg Industries, Inc. is a manufacturer of brooms, mops and brushes in Hamburg, PA. Legacy Bank used BOB to lend $21,000 to Math Inc. to assist in start-up costs. Math Inc. is engaged in manufacturing countertops, cabinets and architectural millwork for commercial applications. Further, First National Community Bank provided $200,000 in BOB funds to Keystone Potato Products, LLC to assist in start-up costs. Keystone Potato Products, LLC. is a dehydrated food producer in Hegins, PA.

The Pittsburgh Bank also operates the Community Lending Program (CLP), an $825 million non-competitive revolving loan pool that offers loans to member financial institutions for community and economic development projects that create housing, improve business districts, and strengthen neighborhoods. In my district, CLP has provided over $40 million for 16 projects. One of these involved Mid-Penn Bank, a leading community bank in my district, using the CLP to provide $4.5 million in low-cost FHLBank funds for the rehabilitation of Cole Crest: a low income elderly, disabled, and family apartment complex in Steelton, PA. The funds were provided through Mid-Penn Bank as an alternative to traditional bond financing, saving the Dauphin County Housing Authority significant costs over the life of the loan.

As a Member of Congress representing a rural region with community and economic development needs, I appreciate the partnership between the Federal Home Loan Banks and the community banks of my district. The mission of the Federal Home Loan Banks in the area of economic and community development is vital, and I applaud the clarification of that mission in H.R. 1427.

I want to add my voice to those in the Congress advocating that the new regulator encourage this mission by applying a new emphasis on community and economic development to all Federal Home Loan Banks' activities. I see this language as fostering a statutory and regulatory environment that will support and encourage further development of new ways to support economic development, public finance and infrastructure in a partnership with Federal Home Loan Banks, their members, and local governments that will bring needed help to the small and rural communities of my district.

Mr. CONYERS. Mr. Chairman, I rise in support of passage of H.R. 1427, ''The Federal Housing Finance Reform Act.''

I believe this legislation is one of the most cost effective ways to provide cities across the country with desperately needed federal funding so they can construct, or renovate housing stock for working families on public housing waiting lists, homeless veterans, homeless Katrina victims, and homeless working families.

I believe that passage of this legislation is a ''historic'' moment in this Congress, and makes me proud to be a member of this body.

In Detroit, there are thousands of working individuals and families living in homeless shelters or staying with friends and extended family members because they can not afford the skyrocketing costs of private market housing.

We have a homeless shelter in Detroit where hundreds of veterans live each year, and most are working minimum wage jobs, or work in low to moderate wage employment.

It is a moral outrage that soldiers who have fought in wars and served their country honorably come home to cities like Detroit, only to find out that they can not afford an apartment or a home.

This bill will help reduce these problems, and provide decent affordable housing to more veterans and working families without raising taxes.

It will also help victims of Katrina who are currently living in hotels or homeless shelters in other cities to return to the Gulf Coast, or remain where they are, because there will be expanded housing opportunities due to passage of H.R. 1427.

Passage of ''The Federal Housing Finance Reform Act'' will provide billions of dollars to cash starved cities across the Nation to successfully build new affordable housing units for working families by utilizing existing non-profit housing developers, public housing agencies, and for-profit housing developers.

Passage of H.R. 1427 will help hundreds of thousands of Americans across this Nation who are currently on waiting lists for public housing to be able to get out of homeless shelters and into homes or apartments, since there will now be more federal funding for affordable housing production.

Passage of ''The Federal Housing Finance Reform Act'' will provide $600 million per year to cash starved cities across the Nation and could create approximately 8,000 new affordable housing units for working families by utilizing existing non-profit housing developers, public housing agencies, and for-profit housing developers.

If America is ever to be a great nation, we must ensure that all Americans, as a basic human right, have decent and affordable housing. Passage of H.R. 1427 will get our Nation on the road to having a real national affordable housing policy; which we currently do not have.

The United States, the wealthiest country in the world, shamefully has one million homeless children, and over 40% of those living in homeless shelters are working in jobs. Our current affordable housing problem is building more homeless shelters where there is a lack of affordable housing.

I ask this question, Mr. Chairman. How many Members of Congress would want to come home after a hard day's work, and sleep in a homeless shelter? Probably nobody! We need affordable housing for all now.

I urge this body to pass H.R. 1427 with all deliberate speed.

Mr. BACA. Mr. Chairman, I rise to support H.R. 1427 and thank my friend, Chairman FRANK, for leading the bipartisan effort in the Financial Services Committee on this important legislation.

This bill restores accountability by creating a modern, world-class regulator of the GSEs. It will also help us meet the critical shortage of affordable housing across the country through the creation of an Affordable Housing Fund.

In addition, Representatives BEAN, NEUGEBAUER, MOORE and MILLER have offered an amendment which I support. It clarifies that the new GSE regulator does not have the power to reduce the portfolios of Fannie Mae and Freddie Mac based on artificial, so-called ''systemic risk.''

This bill already gives the new regulator the FULL authority to supervise the GSE portfolios for safety, soundness and mission. I am not convinced that we should give it powers that bank regulators don't already have. I'm also not convinced that this amendment would in any way weaken the regulator's ability to make sure these companies operate safely and soundly.

It is critical that we do not limit the GSE's ability to provide homeownership for low, middle income, and minority families.

With their help, the GSEs have been able to increase homeownership rates across this country to a record level of 68 percent. That's impressive, but there is still much work to be done.

Homeownership rates in our minority communities are still far below the national average and nearly 2.2 million American families across the country are facing foreclosures.

This issue has a great deal of personal meaning for me. I grew up in a family of 15 children without a lot of money. I have been lucky enough to have worked hard and been able to achieve the American dream of owning a home.

Yet the dream of homeownership remains unattainable for millions of families. And many other families stand to lose their homes this year.

The new affordable housing fund created by H.R. 1427 will go far to help these families. And the new regulator created by this bill will ensure the safety and soundness of the GSEs so that they can continue their important mission in underserved communities for many years to come.

I urge my colleagues to support this bill.

Mr. ENGEL. Mr. Chairman, I rise today in support of H.R. 1427, the Federal Housing Finance Reform Act of 2007. This legislation is many years in the making, and its consideration today is timely, given the problems we face in the mortgage industry.

In recent years, we have seen serious problems in the subprime mortgage market. Without an effective regulator in the mortgage market, these problems will continue to grow, and we will continue to see more families losing their home to foreclosure.

In addition, H.R. 1427 creates an affordable housing fund for low income individuals and families. This fund will receive a percentage of the investments that Fannie Mae and Freddie Mac hold, totaling approximately $500 million a year. This money will help those with low incomes purchase a new home.

The recent problems in the mortgage market have hit those with low incomes harder than any other income bracket. This is exactly the group of people who will be helped most by this bill. And for the first year, the entire reserve fund will be dedicated to those affected by Hurricane Katrina in Louisiana and Mississippi. These hurricane stricken areas are in desperate need of assistance, and this bill will provide at least a portion of what they need.

Having a strong regulatory body overseeing Fannie Mae, Freddie Mac and the Federal Home Loan Banks will give consumers and markets confidence that the housing market is safe. When housing lenders started going under due to the increased number of foreclosures, consumers became increasingly reluctant to invest hundreds of thousands of dollars into a new home. If people are confident that a strong regulator will be overseeing the GSEs, it will help to increase consumer confidence in the housing market.

This bill is specifically good for my District in the Bronx, Rockland County and Westchester County in New York. The price of purchasing a home there is staggering, and Fannie Mae and Freddie Mac are limited in the amount of money they can loan for a new home. This limitation makes it more difficult for people in my District to buy their first home. This legislation will help to fix this problem by increasing the limit on loans.

Even though H.R. 1427 will put additional money into low low-income housing assistance, I am proud to say that this bill will not add a single dollar to the national deficit. The majority in this Congress has consistently stuck to the pay-as-you-go rules that we created as one of our first acts of the year.

Madam Chairman, the Federal Housing Finance Reform Act is eight years in the making, and it is long overdue. I am happy to support this bill, and I urge my colleagues to support it as well. I yield back the balance of my time.

Mr. LOEBSACK. Mr. Chairman, I rise today in support of H.R. 1427, the Federal Housing Finance Reform Act of 2007. Specifically, I rise in support of Section 139, establishing the Affordable Housing Fund.

In Congress we often talk about the American dream. Many believe that if an individual works hard and plays by the rules they are able to provide for their families, and keep a roof over their heads. Unfortunately, it isn't always that easy. Access to affordable, safe, and clean housing is often difficult to come by. According to the National Low Income Housing Coalition, in Iowa the Fair Market Rent for a two-bedroom apartment is $594. The estimated average wage for a renter is $9.62 per hour, meaning a renter must work 47 hours per week, 52 weeks a year in order to afford a two-bedroom apartment. If you earn the minimum wage, which remains only $5.15 an hour, you would need to work 89 hours per week, 52 weeks per year to afford a two-bedroom home in Iowa.

Thankfully, this bill establishes the Affordable Housing Fund which provides greater access for our neediest citizens to pursue the American dream and raise their families in a safe environment, which ultimately leads to greater productivity and a better life for themselves and their children.

I was raised in poverty and know first hand the every-day struggle to survive that millions of Americans face on a low or very-low income. Not only will this legislation help those individuals find and afford adequate housing, it will also encourage investment and infrastructure improvements in some of the most underserved areas of our country.

This term ''underserved'' applies to both low-income urban areas and to the many rural areas in our country. Many rural areas of Iowa have seen good-paying jobs leave our towns at an astonishing rate, in turn devastating our communities. Affordable and accessible housing helps keep communities whole.

In 1949, The U. S. Housing Act established the admirable goal of ''a decent home and a suitable living environment for every American Family.'' I believe the Federal Housing Finance Reform Act remains true to this goal. It is an important step in improving and reviving our cities and rural areas. I urge my colleagues to vote yes on this legislation.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute printed in the bill, modified by the amendment printed in House Report 110–152, shall be considered as an original bill for the purpose of amendment under the 5-minute rule by title, and each title shall be considered read.

No amendment to that amendment shall be in order except those printed in the portion of the CONGRESSIONAL RECORD designated for that purpose before the beginning of consideration of the bill and pro forma amendments for the purpose of debate. Each amendment so printed may be offered only by the Member who caused it to be printed or his designee and shall be considered read.

Mr. FRANK of Massachusetts. Mr. Chairman, I ask unanimous consent that the bill be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The text of the bill is as follows:

H.R. 1427

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Federal Housing Finance Reform Act of 2007''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

SEC. 2. DEFINITIONS.

Section 1303 of the Housing and Community Development Act of 1992 (12 U.S.C. 4502) is amended—

(1) in paragraph (7), by striking ''an enterprise'' and inserting ''a regulated entity'';

(2) by striking ''the enterprise'' each place such term appears (except in paragraphs (4) and (18)) and inserting ''the regulated entity'';

(3) in paragraph (5), by striking ''Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development'' and inserting ''Federal Housing Finance Agency'';

(4) in each of paragraphs (8), (9), (10), and (19), by striking ''Secretary'' each place that term appears and inserting ''Director'';

(5) in paragraph (13), by inserting '', with respect to an enterprise,'' after ''means'';

(6) by redesignating paragraphs (16) through (19) as paragraphs (20) through (23), respectively;

(7) by striking paragraphs (14) and (15) and inserting the following new paragraphs:

''(18) REGULATED ENTITY.—The term 'regulated entity' means—

''(A) the Federal National Mortgage Association and any affiliate thereof;

''(B) the Federal Home Loan Mortgage Corporation and any affiliate thereof; and

''(C) each Federal home loan bank.

''(19) REGULATED ENTITY-AFFILIATED PARTY.—The term 'regulated entity-affiliated party' means—

''(A) any director, officer, employee, or agent for, a regulated entity, or controlling shareholder of an enterprise;

''(B) any shareholder, affiliate, consultant, or joint venture partner of a regulated entity, and any other person, as determined by the Director (by regulation or on a case-by-case basis) that participates in the conduct of the affairs of a regulated entity, except that a shareholder of a regulated entity shall not be considered to have participated in the affairs of that regulated entity solely by reason of being a member or customer of the regulated entity;

''(C) any independent contractor for a regulated entity (including any attorney, appraiser, or accountant), if—

''(i) the independent contractor knowingly or recklessly participates in—

''(I) any violation of any law or regulation;

''(II) any breach of fiduciary duty; or

''(III) any unsafe or unsound practice; and

''(ii) such violation, breach, or practice caused, or is likely to cause, more than a minimal financial loss to, or a significant adverse effect on, the regulated entity; and

''(D) any not-for-profit corporation that receives its principal funding, on an ongoing basis, from any regulated entity.'';

(8) by redesignating paragraphs (8) through (13) as paragraphs (12) through (17), respectively; and

(9) by inserting after paragraph (7) the following new paragraph:

''(11) FEDERAL HOME LOAN BANK.—The term 'Federal home loan bank' means a bank established under the authority of the Federal Home Loan Bank Act.'';

(10) by redesignating paragraphs (2) through (7) as paragraphs (5) through (10), respectively; and

(11) by inserting after paragraph (1) the following new paragraphs:

''(2) AGENCY.—The term 'Agency' means the Federal Housing Finance Agency.

''(3) AUTHORIZING STATUTES.—The term 'authorizing statutes' means—

''(A) the Federal National Mortgage Association Charter Act;

''(B) the Federal Home Loan Mortgage Corporation Act; and

''(C) the Federal Home Loan Bank Act.

''(4) BOARD.—The term 'Board' means the Federal Housing Enterprise Board established under section 1313B.''.

TITLE I—REFORM OF REGULATION OF ENTERPRISES AND FEDERAL HOME LOAN BANKS

Subtitle A—Improvement of Safety and Soundness

SEC. 101. ESTABLISHMENT OF THE FEDERAL HOUSING FINANCE AGENCY.

(a) IN GENERAL.—The Housing and Community Development Act of 1992 (12 U.S.C. 4501 et seq.) is amended by striking sections 1311 and 1312 and inserting the following:

''SEC. 1311. ESTABLISHMENT OF THE FEDERAL HOUSING FINANCE AGENCY.

''(a) ESTABLISHMENT.—There is established the Federal Housing Finance Agency, which shall be an independent agency of the Federal Government.

''(b) GENERAL SUPERVISORY AND REGULATORY AUTHORITY.—

''(1) IN GENERAL.—Each regulated entity shall, to the extent provided in this title, be subject to the supervision and regulation of the Agency.

''(2) AUTHORITY OVER FANNIE MAE, FREDDIE MAC, AND FEDERAL HOME LOAN BANKS.—The Director of the Federal Housing Finance Agency shall have general supervisory and regulatory authority over each regulated entity and shall exercise such general regulatory and supervisory authority, including such duties and authorities set forth under section 1313 of this Act, to ensure that the purposes of this Act, the authorizing statutes, and any other applicable law are carried out. The Director shall have the same supervisory and regulatory authority over any joint office of the Federal home loan banks, including the Office of Finance of the Federal Home Loan Banks, as the Director has over the individual Federal home loan banks.

''(c) SAVINGS PROVISION.—The authority of the Director to take actions under subtitles B and C shall not in any way limit the general supervisory and regulatory authority granted to the Director.

''SEC. 1312. DIRECTOR.

''(a) ESTABLISHMENT OF POSITION.—There is established the position of the Director of the Federal Housing Finance Agency, who shall be the head of the Agency.

''(b) APPOINTMENT; TERM.—

''(1) APPOINTMENT.—The Director shall be appointed by the President, by and with the advice and consent of the Senate, from among individuals who are citizens of the United States, have a demonstrated understanding of financial management or oversight, and have a demonstrated understanding of capital markets, including the mortgage securities markets and housing finance.

''(2) TERM AND REMOVAL.—The Director shall be appointed for a term of 5 years and may be removed by the President only for cause.

''(3) VACANCY.—A vacancy in the position of Director that occurs before the expiration of the term for which a Director was appointed shall be filled in the manner established under paragraph (1), and the Director appointed to fill such vacancy shall be appointed only for the remainder of such term.

''(4) SERVICE AFTER END OF TERM.—An individual may serve as the Director after the expiration of the term for which appointed until a successor has been appointed.

''(5) TRANSITIONAL PROVISION.—Notwithstanding paragraphs (1) and (2), the Director of the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development shall serve as the Director until a successor has been appointed under paragraph (1).

''(c) DEPUTY DIRECTOR OF THE DIVISION OF ENTERPRISE REGULATION.—

''(1) IN GENERAL.—The Agency shall have a Deputy Director of the Division of Enterprise Regulation, who shall be appointed by the Director from among individuals who are citizens of the United States, and have a demonstrated understanding of financial management or oversight and of mortgage securities markets and housing finance.

''(2) FUNCTIONS.—The Deputy Director of the Division of Enterprise Regulation shall have such functions, powers, and duties with respect to the oversight of the enterprises as the Director shall prescribe.

''(d) DEPUTY DIRECTOR OF THE DIVISION OF FEDERAL HOME LOAN BANK REGULATION.—

''(1) IN GENERAL.—The Agency shall have a Deputy Director of the Division of Federal Home Loan Bank Regulation, who shall be appointed by the Director from among individuals who are citizens of the United States, have a demonstrated understanding of financial management or oversight and of the Federal Home Loan Bank System and housing finance.

''(2) FUNCTIONS.—The Deputy Director of the Division of Federal Home Loan Bank Regulation shall have such functions, powers, and duties with respect to the oversight of the Federal home loan banks as the Director shall prescribe.

''(e) DEPUTY DIRECTOR FOR HOUSING.—

''(1) IN GENERAL.—The Agency shall have a Deputy Director for Housing, who shall be appointed by the Director from among individuals who are citizens of the United States, and have a demonstrated understanding of the housing markets and housing finance and of community and economic development.

''(2) FUNCTIONS.—The Deputy Director for Housing shall have such functions, powers, and duties with respect to the oversight of the housing mission and goals of the enterprises, and with respect to oversight of the housing finance and community and economic development mission of the Federal home loan banks, as the Director shall prescribe.

''(f) LIMITATIONS.—The Director and each of the Deputy Directors may not—

''(1) have any direct or indirect financial interest in any regulated entity or regulated entity-affiliated party;

''(2) hold any office, position, or employment in any regulated entity or regulated entity-affiliated party; or

''(3) have served as an executive officer or director of any regulated entity, or regulated entity-affiliated party, at any time during the 3-year period ending on the date of appointment of such individual as Director or Deputy Director.

''(g) OMBUDSMAN.—The Director shall establish the position of the Ombudsman in the Agency. The Director shall provide that the Ombudsman will consider complaints and appeals from any regulated entity and any person that has a business relationship with a regulated entity and shall specify the duties and authority of the Ombudsman.''.

(b) APPOINTMENT OF DIRECTOR.—Notwithstanding any other provision of law or of this Act, the President may, any time after the date of the enactment of this Act, appoint an individual to serve as the Director of the Federal Housing Finance Agency, as such office is established by the amendment made by subsection (a). This subsection shall take effect on the date of the enactment of this Act.

SEC. 102. DUTIES AND AUTHORITIES OF DIRECTOR.

(a) IN GENERAL.—The Housing and Community Development Act of 1992 (12 U.S.C. 4513) is amended by striking section 1313 and inserting the following new sections:

''SEC. 1313. DUTIES AND AUTHORITIES OF DIRECTOR.

''(a) DUTIES.—

''(1) PRINCIPAL DUTIES.—The principal duties of the Director shall be—

''(A) to oversee the operations of each regulated entity and any joint office of the Federal Home Loan Banks; and

''(B) to ensure that—

''(i) each regulated entity operates in a safe and sound manner, including maintenance of adequate capital and internal controls;

''(ii) the operations and activities of each regulated entity foster liquid, efficient, competitive, and resilient national housing finance markets that minimize the cost of housing finance (including activities relating to mortgages on housing for low- and moderate- income families involving a reasonable economic return that may be less than the return earned on other activities);

''(iii) each regulated entity complies with this title and the rules, regulations, guidelines, and orders issued under this title and the authorizing statutes; and

''(iv) each regulated entity carries out its statutory mission only through activities that are consistent with this title and the authorizing statutes.

''(2) SCOPE OF AUTHORITY.—The authority of the Director shall include the authority—

''(A) to review and, if warranted based on the principal duties described in paragraph (1), reject any acquisition or transfer of a controlling interest in an enterprise; and

''(B) to exercise such incidental powers as may be necessary or appropriate to fulfill the duties and responsibilities of the Director in the supervision and regulation of each regulated entity.

''(b) DELEGATION OF AUTHORITY.—The Director may delegate to officers or employees of the Agency, including each of the Deputy Directors, any of the functions, powers, or duties of the Director, as the Director considers appropriate.

''(c) LITIGATION AUTHORITY.—

''(1) IN GENERAL.—In enforcing any provision of this title, any regulation or order prescribed under this title, or any other provision of law, rule, regulation, or order, or in any other action, suit, or proceeding to which the Director is a party or in which the Director is interested, and in the administration of conservatorships and receiverships, the Director may act in the Director's own name and through the Director's own attorneys, or request that the Attorney General of the United States act on behalf of the Director.

''(2) CONSULTATION WITH ATTORNEY GENERAL.—The Director shall provide notice to, and consult with, the Attorney General of the United States before taking an action under paragraph (1) of this subsection or under section 1344(a), 1345(d), 1348(c), 1372(e), 1375(a), 1376(d), or 1379D(c), except that, if the Director determines that any delay caused by such prior notice and consultation may adversely affect the safety and soundness responsibilities of the Director under this title, the Director shall notify the Attorney General as soon as reasonably possible after taking such action.

''(3) SUBJECT TO SUIT.—Except as otherwise provided by law, the Director shall be subject to suit (other than suits on claims for money damages) by a regulated entity or director or officer thereof with respect to any matter under this title or any other applicable provision of law, rule, order, or regulation under this title, in the United States district court for the judicial district in which the regulated entity has its principal place of business, or in the United States District Court for the District of Columbia, and the Director may be served with process in the manner prescribed by the Federal Rules of Civil Procedure.

''SEC. 1313A. PRUDENTIAL MANAGEMENT AND OPERATIONS STANDARDS.

''(a) STANDARDS.—The Director shall establish standards, by regulation, guideline, or order, for each regulated entity relating to—

''(1) adequacy of internal controls and information systems, including information security and privacy policies and practices, taking into account the nature and scale of business operations;

''(2) independence and adequacy of internal audit systems;

''(3) management of credit and counterparty risk, including systems to identify concentrations of credit risk and prudential limits to restrict exposure of the regulated entity to a single counterparty or groups of related counterparties;

''(4) management of interest rate risk exposure;

''(5) management of market risk, including standards that provide for systems that accurately measure, monitor, and control market risks and, as warranted, that establish limitations on market risk;

''(6) adequacy and maintenance of liquidity and reserves;

''(7) management of any asset and investment portfolio;

''(8) investments and acquisitions by a regulated entity, to ensure that they are consistent with the purposes of this Act and the authorizing statutes;

''(9) maintenance of adequate records, in accordance with consistent accounting policies and practices that enable the Director to evaluate the financial condition of the regulated entity;

''(10) issuance of subordinated debt by that particular regulated entity, as the Director considers necessary;

''(11) overall risk management processes, including adequacy of oversight by senior management and the board of directors and of processes and policies to identify, measure, monitor, and control material risks, including reputational risks, and for adequate, well-tested business resumption plans for all major systems with remote site facilities to protect against disruptive events; and

''(12) such other operational and management standards as the Director determines to be appropriate.

''(b) FAILURE TO MEET STANDARDS.—

''(1) PLAN REQUIREMENT.—

''(A) IN GENERAL.—If the Director determines that a regulated entity fails to meet any standard established under subsection (a)—

''(i) if such standard is established by regulation, the Director shall require the regulated entity to submit an acceptable plan to the Director within the time allowed under subparagraph (C); and

''(ii) if such standard is established by guideline, the Director may require the regulated entity to submit a plan described in clause (i).

''(B) CONTENTS.—Any plan required under subparagraph (A) shall specify the actions that the regulated entity will take to correct the deficiency. If the regulated entity is undercapitalized, the plan may be a part of the capital restoration plan for the regulated entity under section 1369C.

''(C) DEADLINES FOR SUBMISSION AND REVIEW.—The Director shall by regulation establish deadlines that—

''(i) provide the regulated entities with reasonable time to submit plans required under subparagraph (A), and generally require a regulated entity to submit a plan not later than 30 days after the Director determines that the entity fails to meet any standard established under subsection (a); and

''(ii) require the Director to act on plans expeditiously, and generally not later than 30 days after the plan is submitted.

''(2) REQUIRED ORDER UPON FAILURE TO SUBMIT OR IMPLEMENT PLAN.—If a regulated entity fails to submit an acceptable plan within the time allowed under paragraph (1)(C), or fails in any material respect to implement a plan accepted by the Director, the following shall apply:

''(A) REQUIRED CORRECTION OF DEFICIENCY.—The Director shall, by order, require the regulated entity to correct the deficiency.

''(B) OTHER AUTHORITY.—The Director may, by order, take one or more of the following actions until the deficiency is corrected:

''(i) Prohibit the regulated entity from permitting its average total assets (as such term is defined in section 1316(b)) during any calendar quarter to exceed its average total assets during the preceding calendar quarter, or restrict the rate at which the average total assets of the entity may increase from one calendar quarter to another.

''(ii) Require the regulated entity—

''(I) in the case of an enterprise, to increase its ratio of core capital to assets.

''(II) in the case of a Federal home loan bank, to increase its ratio of total capital (as such term is defined in section 6(a)(5) of the Federal Home Loan Bank Act (12 U.S.C. 1426(a)(5)) to assets.

''(iii) Require the regulated entity to take any other action that the Director determines will better carry out the purposes of this section than any of the actions described in this subparagraph.

''(3) MANDATORY RESTRICTIONS.—In complying with paragraph (2), the Director shall take one or more of the actions described in clauses (i) through (iii) of paragraph (2)(B) if—

''(A) the Director determines that the regulated entity fails to meet any standard prescribed under subsection (a);

''(B) the regulated entity has not corrected the deficiency; and

''(C) during the 18-month period before the date on which the regulated entity first failed to meet the standard, the entity underwent extraordinary growth, as defined by the Director.

''(c) OTHER ENFORCEMENT AUTHORITY NOT AFFECTED.—The authority of the Director under

this section is in addition to any other authority of the Director.''.

(b) INDEPENDENCE IN CONGRESSIONAL TESTIMONY AND RECOMMENDATIONS.—Section 111 of Public Law 93–495 (12 U.S.C. 250) is amended by striking ''the Federal Housing Finance Board'' and inserting ''the Director of the Federal Housing Finance Agency''.

SEC. 103. FEDERAL HOUSING ENTERPRISE BOARD.

(a) IN GENERAL.—Title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4501 et seq.) is amended by inserting after section 1313A, as added by section 102 of this Act, the following new section:

''SEC. 1313B. FEDERAL HOUSING ENTERPRISE BOARD.

''(a) IN GENERAL.—There is established the Federal Housing Enterprise Board, which shall advise the Director with respect to overall strategies and policies in carrying out the duties of the Director under this title.

''(b) LIMITATIONS.—The Board may not exercise any executive authority, and the Director may not delegate to the Board any of the functions, powers, or duties of the Director.

''(c) COMPOSITION.—The Board shall be comprised of 5 members, of whom—

''(1) one member shall be the Secretary of the Treasury;

''(2) one member shall be the Secretary of Housing and Urban Development;

''(3) one member shall be the Director, who shall serve as the Chairperson of the Board; and

''(4) two members, who shall be appointed by the President, by and with the advise and consent of the Senate, who are experts or experienced in the field of financial services, housing finance, affordable housing, or mortgage lending.

The members pursuant to paragraph (4) shall be appointed for a term of four years. The Board may not, at any time, have more than three members of the same political party.

''(d) MEETINGS.—

''(1) IN GENERAL.—The Board shall meet upon notice by the Director, but in no event shall the Board meet less frequently than once every 3 months.

''(2) SPECIAL MEETINGS.—Either the Secretary of the Treasury or the Secretary of Housing and Urban Development may, upon giving written notice to the Director, require a special meeting of the Board.

''(e) TESTIMONY.—On an annual basis, the Board shall testify before Congress regarding—

''(1) the safety and soundness of the regulated entities;

''(2) any material deficiencies in the conduct of the operations of the regulated entities;

''(3) the overall operational status of the regulated entities;

''(4) an evaluation of the performance of the regulated entities in carrying out their respective missions;

''(5) operations, resources, and performance of the Agency; and

''(6) such other matters relating to the Agency and its fulfillment of its mission, as the Board determines appropriate.''.

(b) ANNUAL REPORT OF THE DIRECTOR.—Section 1319B(a) of the Housing and Community Development Act of 1992 (12 U.S.C. 4521 (a)) is amended—

(1) in paragraph (3), by striking ''and'' at the end; and

(2) by striking paragraph (4) and inserting the following new paragraphs:

''(4) an assessment of the Board or any of its members with respect to—

''(A) the safety and soundness of the regulated entities;

''(B) any material deficiencies in the conduct of the operations of the regulated entities;

''(C) the overall operational status of the regulated entities; and

''(D) an evaluation of the performance of the regulated entities in carrying out their missions;

''(5) operations, resources, and performance of the Agency;

''(6) a description of the demographic makeup of the workforce of the Agency and the actions taken pursuant to section 1319A(b) to provide for diversity in the workforce; and

''(7) such other matters relating to the Agency and its fulfillment of its mission.''.

SEC. 104. AUTHORITY TO REQUIRE REPORTS BY REGULATED ENTITIES.

Section 1314 of the Housing and Community Development Act of 1992 (12 U.S.C. 4514) is amended—

*(1) in the section heading, by striking ''**ENTERPRISES**'' and inserting ''**REGULATED ENTITIES**'';*

(2) in subsection (a)—

(A) in the subsection heading, by striking ''SPECIAL REPORTS AND REPORTS OF FINANCIAL CONDITION'' and inserting ''REGULAR AND SPECIAL REPORTS'';

(B) in paragraph (1)—

(i) in the paragraph heading, by striking ''FINANCIAL CONDITION'' and inserting ''REGULAR REPORTS''; and

(ii) by striking ''reports of financial condition and operations'' and inserting ''regular reports on the condition (including financial condition), management, activities, or operations of the regulated entity, as the Director considers appropriate''; and

(C) in paragraph (2), after ''submit special reports'' insert ''on any of the topics specified in paragraph (1) or such other topics''; and

(3) by adding at the end the following new subsection:

''(c) REPORTS OF FRAUDULENT FINANCIAL TRANSACTIONS.—

''(1) REQUIREMENT TO REPORT.—The Director shall require a regulated entity to submit to the Director a timely report upon discovery by the regulated entity that it has purchased or sold a fraudulent loan or financial instrument or suspects a possible fraud relating to a purchase or sale of any loan or financial instrument. The Director shall require the regulated entities to establish and maintain procedures designed to discover any such transactions.

''(2) PROTECTION FROM LIABILITY FOR REPORTS.—

''(A) IN GENERAL.—If a regulated entity makes a report pursuant to paragraph (1), or a regulated entity-affiliated party makes, or requires another to make, such a report, and such report is made in a good faith effort to comply with the requirements of paragraph (1), such regulated entity or regulated entity-affiliated party shall not be liable to any person under any law or regulation of the United States, any constitution, law, or regulation of any State or political subdivision of any State, or under any contract or other legally enforceable agreement (including any arbitration agreement), for such report or for any failure to provide notice of such report to the person who is the subject of such report or any other person identified in the report.

''(B) RULE OF CONSTRUCTION.—Subparagraph (A) shall not be construed as creating—

''(i) any inference that the term 'person', as used in such subparagraph, may be construed more broadly than its ordinary usage so as to include any government or agency of government; or

''(ii) any immunity against, or otherwise affecting, any civil or criminal action brought by any government or agency of government to enforce any constitution, law, or regulation of such government or agency.''.

SEC. 105. DISCLOSURE OF INCOME AND CHARITABLE CONTRIBUTIONS BY ENTERPRISES.

Section 1314 of the Housing and Community Development Act of 1992 (12 U.S.C. 4514), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsections:

''(d) DISCLOSURE OF CHARITABLE CONTRIBUTIONS BY ENTERPRISES.—

''(1) REQUIRED DISCLOSURE.—The Director shall, by regulation, require each enterprise to submit a report annually, in a format designated by the Director, containing the following information:

''(A) TOTAL VALUE.—The total value of contributions made by the enterprise to nonprofit organizations during its previous fiscal year.

''(B) SUBSTANTIAL CONTRIBUTIONS.—If the value of contributions made by the enterprise to any nonprofit organization during its previous fiscal year exceeds the designated amount, the name of that organization and the value of contributions.

''(C) SUBSTANTIAL CONTRIBUTIONS TO INSIDER-AFFILIATED CHARITIES.—Identification of each contribution whose value exceeds the designated amount that were made by the enterprise during the enterprise's previous fiscal year to any nonprofit organization of which a director, officer, or controlling person of the enterprise, or a spouse thereof, was a director or trustee, the name of such nonprofit organization, and the value of the contribution.

''(2) DEFINITIONS.—For purposes of this subsection—

''(A) the term 'designated amount' means such amount as may be designated by the Director by regulation, consistent with the public interest and the protection of investors for purposes of this subsection; and

''(B) the Director may, by such regulations as the Director deems necessary or appropriate in the public interest, define the terms officer and controlling person.

''(3) PUBLIC AVAILABILITY.—The Director shall make the information submitted pursuant to this subsection publicly available.

''(e) DISCLOSURE OF INCOME.—Each enterprise shall include, in each annual report filed under section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m), the income reported by the issuer to the Internal Revenue Service for the most recent taxable year. Such income shall—

''(1) be presented in a prominent location in each such report and in a manner that permits a ready comparison of such income to income otherwise required to be included in such reports under regulations issued under such section; and

''(2) be submitted to the Securities and Exchange Commission in a form and manner suitable for entry into the EDGAR system of such Commission for public availability under such system.''.

SEC. 106. ASSESSMENTS.

Section 1316 of the Housing and Community Development Act of 1992 (12 U.S.C. 4516) is amended—

(1) by striking subsection (a) and inserting the following new subsection:

''(a) ANNUAL ASSESSMENTS.—The Director shall establish and collect from the regulated entities annual assessments in an amount not exceeding the amount sufficient to provide for reasonable costs and expenses of the Agency, including—

''(1) the expenses of any examinations under section 1317 of this Act and under section 20 of the Federal Home Loan Bank Act;

''(2) the expenses of obtaining any reviews and credit assessments under section 1319;

''(3) such amounts in excess of actual expenses for any given year as deemed necessary by the Director to maintain a working capital fund in accordance with subsection (e); and

''(4) the wind up of the affairs of the Office of Federal Housing Enterprise Oversight and the Federal Housing Finance Board under title III of the Federal Housing Finance Reform Act of 2007.'';

(2) in subsection (b)—

(A) in the subsection heading, by striking ''ENTERPRISES'' and inserting ''REGULATED ENTITIES'' ;

(B) by realigning paragraph (2) two ems from the left margin, so as to align the left margin of

such paragraph with the left margins of paragraph (1);

(C) in paragraph (1)—

(i) by striking ''Each enterprise'' and inserting ''Each regulated entity'';

(ii) by striking ''each enterprise'' and inserting ''each regulated entity''; and

(iii) by striking ''both enterprises'' and inserting ''all of the regulated entities''; and

(D) in paragraph (3)—

(i) in subparagraph (B), by striking ''subparagraph (A)'' and inserting ''clause (i)'';

(ii) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii) and (ii), respectively, and realigning such clauses, as so redesignated, so as to be indented 6 ems from the left margin;

(iii) by striking the matter that precedes clause (i), as so redesignated, and inserting the following:

''(3) DEFINITION OF TOTAL ASSETS.—For purposes of this section, the term 'total assets' means as follows:

''(A) ENTERPRISES.—With respect to an enterprise, the sum of—''; and

(iv) by adding at the end the following new subparagraph:

''(B) FEDERAL HOME LOAN BANKS.—With respect to a Federal home loan bank, the total assets of the Bank, as determined by the Director in accordance with generally accepted accounting principles.'';

(3) by striking subsection (c) and inserting the following new subsection:

''(c) INCREASED COSTS OF REGULATION.—

''(1) INCREASE FOR INADEQUATE CAPITALIZATION.—The semiannual payments made pursuant to subsection (b) by any regulated entity that is not classified (for purposes of subtitle B) as adequately capitalized may be increased, as necessary, in the discretion of the Director to pay additional estimated costs of regulation of the regulated entity.

''(2) ADJUSTMENT FOR ENFORCEMENT ACTIVITIES.—The Director may adjust the amounts of any semiannual payments for an assessment under subsection (a) that are to be paid pursuant to subsection (b) by a regulated entity, as necessary in the discretion of the Director, to ensure that the costs of enforcement activities under this Act for a regulated entity are borne only by such regulated entity.

''(3) ADDITIONAL ASSESSMENT FOR DEFICIENCIES.—If at any time, as a result of increased costs of regulation of a regulated entity that is not classified (for purposes of subtitle B) as adequately capitalized or as the result of supervisory or enforcement activities under this Act for a regulated entity, the amount available from any semiannual payment made by such regulated entity pursuant to subsection (b) is insufficient to cover the costs of the Agency with respect to such entity, the Director may make and collect from such regulated entity an immediate assessment to cover the amount of such deficiency for the semiannual period. If, at the end of any semiannual period during which such an assessment is made, any amount remains from such assessment, such remaining amount shall be deducted from the assessment for such regulated entity for the following semiannual period.'';

(4) in subsection (d), by striking ''If'' and inserting ''Except with respect to amounts collected pursuant to subsection (a)(3), if''; and

(5) by striking subsections (e) through (g) and inserting the following new subsections:

''(e) WORKING CAPITAL FUND.—At the end of each year for which an assessment under this section is made, the Director shall remit to each regulated entity any amount of assessment collected from such regulated entity that is attributable to subsection (a)(3) and is in excess of the amount the Director deems necessary to maintain a working capital fund.

''(f) TREATMENT OF ASSESSMENTS.—

''(1) DEPOSIT.—Amounts received by the Director from assessments under this section may be deposited by the Director in the manner provided in section 5234 of the Revised Statutes (12 U.S.C. 192) for monies deposited by the Comptroller of the Currency.

''(2) NOT GOVERNMENT FUNDS.—The amounts received by the Director from any assessment under this section shall not be construed to be Government or public funds or appropriated money.

''(3) NO APPORTIONMENT OF FUNDS.—Notwithstanding any other provision of law, the amounts received by the Director from any assessment under this section shall not be subject to apportionment for the purpose of chapter 15 of title 31, United States Code, or under any other authority.

''(4) USE OF FUNDS.—The Director may use any amounts received by the Director from assessments under this section for compensation of the Director and other employees of the Agency and for all other expenses of the Director and the Agency.

''(5) AVAILABILITY OF OVERSIGHT FUND AMOUNTS.—Notwithstanding any other provision of law, any amounts remaining in the Federal Housing Enterprises Oversight Fund established under this section (as in effect before the effective date under section 185 of the Federal Housing Finance Reform Act of 2007), and any amounts remaining from assessments on the Federal Home Loan banks pursuant to section 18(b) of the Federal Home Loan Bank Act (12 U.S.C. 1438(b)), shall, upon such effective date, be treated for purposes of this subsection as amounts received from assessments under this section.

''(6) TREASURY INVESTMENTS.—

''(A) AUTHORITY.—The Director may request the Secretary of the Treasury to invest such portions of amount received by the Director from assessments paid under this section that, in the Director's discretion, are not required to meet the current working needs of the Agency.

''(B) GOVERNMENT OBLIGATIONS.—Pursuant to a request under subparagraph (A), the Secretary of the Treasury shall invest such amounts in government obligations guaranteed as to principal and interest by the United States with maturities suitable to the needs of Agency and bearing interest at a rate determined by the Secretary of the Treasury taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturity.

''(g) BUDGET AND FINANCIAL MANAGEMENT.—

''(1) FINANCIAL OPERATING PLANS AND FORECASTS.—The Director shall provide to the Director of the Office of Management and Budget copies of the Director's financial operating plans and forecasts as prepared by the Director in the ordinary course of the Agency's operations, and copies of the quarterly reports of the Agency's financial condition and results of operations as prepared by the Director in the ordinary course of the Agency's operations.

''(2) FINANCIAL STATEMENTS.—The Agency shall prepare annually a statement of assets and liabilities and surplus or deficit; a statement of income and expenses; and a statement of sources and application of funds.

''(3) FINANCIAL MANAGEMENT SYSTEMS.—The Agency shall implement and maintain financial management systems that comply substantially with Federal financial management systems requirements, applicable Federal accounting standards, and that uses a general ledger system that accounts for activity at the transaction level.

''(4) ASSERTION OF INTERNAL CONTROLS.—The Director shall provide to the Comptroller General an assertion as to the effectiveness of the internal controls that apply to financial reporting by the Agency, using the standards established in section 3512(c) of title 31, United States Code.

''(5) RULE OF CONSTRUCTION.—This subsection may not be construed as implying any obligation on the part of the Director to consult with or obtain the consent or approval of the Director of the Office of Management and Budget with respect to any reports, plans, forecasts, or other information referred to in paragraph (1) or any jurisdiction or oversight over the affairs or operations of the Agency.

''(h) AUDIT OF AGENCY.—

''(1) IN GENERAL.—The Comptroller General shall annually audit the financial transactions of the Agency in accordance with the U.S. generally accepted government auditing standards as may be prescribed by the Comptroller General of the United States. The audit shall be conducted at the place or places where accounts of the Agency are normally kept. The representatives of the Government Accountability Office shall have access to the personnel and to all books, accounts, documents, papers, records (including electronic records), reports, files, and all other papers, automated data, things, or property belonging to or under the control of or used or employed by the Agency pertaining to its financial transactions and necessary to facilitate the audit, and such representatives shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians. All such books, accounts, documents, records, reports, files, papers, and property of the Agency shall remain in possession and custody of the Agency. The Comptroller General may obtain and duplicate any such books, accounts, documents, records, working papers, automated data and files, or other information relevant to such audit without cost to the Comptroller General and the Comptroller General's right of access to such information shall be enforceable pursuant to section 716(c) of title 31, United States Code.

''(2) REPORT.—The Comptroller General shall submit to the Congress a report of each annual audit conducted under this subsection. The report to the Congress shall set forth the scope of the audit and shall include the statement of assets and liabilities and surplus or deficit, the statement of income and expenses, the statement of sources and application of funds, and such comments and information as may be deemed necessary to inform Congress of the financial operations and condition of the Agency, together with such recommendations with respect thereto as the Comptroller General may deem advisable. A copy of each report shall be furnished to the President and to the Agency at the time submitted to the Congress.

''(3) ASSISTANCE AND COSTS.—For the purpose of conducting an audit under this subsection, the Comptroller General may, in the discretion of the Comptroller General, employ by contract, without regard to section 5 of title 41, United States Code, professional services of firms and organizations of certified public accountants for temporary periods or for special purposes. Upon the request of the Comptroller General, the Director of the Agency shall transfer to the Government Accountability Office from funds available, the amount requested by the Comptroller General to cover the full costs of any audit and report conducted by the Comptroller General. The Comptroller General shall credit funds transferred to the account established for salaries and expenses of the Government Accountability Office, and such amount shall be available upon receipt and without fiscal year limitation to cover the full costs of the audit and report.''.

SEC. 107. EXAMINERS AND ACCOUNTANTS.

(a) EXAMINATIONS.—Section 1317 of the Housing and Community Development Act of 1992 (12 U.S.C. 4517) is amended—

(1) in subsection (a), by adding after the period at the end the following: ''Each examination under this subsection of a regulated entity shall include a review of the procedures required to be established and maintained by the regulated entity pursuant to section 1314(c) (relating to fraudulent financial transactions) and the report regarding each such examination shall describe any problems with such procedures maintained by the regulated entity.'';

(2) in subsection (b)—

(A) by inserting ''of a regulated entity'' after ''under this section''; and

(B) by striking ''to determine the condition of an enterprise for the purpose of ensuring its financial safety and soundness'' and inserting ''or appropriate''; and

(3) in subsection (c)—

(A) in the second sentence, by inserting ''to conduct examinations under this section'' before the period; and

(B) in the third sentence, by striking ''from amounts available in the Federal Housing Enterprises Oversight Fund''.

(b) ENHANCED AUTHORITY TO HIRE EXAMINERS AND ACCOUNTANTS.—Section 1317 of the Housing and Community Development Act of 1992 (12 U.S.C. 4517) is amended by adding at the end the following new subsection:

''(g) APPOINTMENT OF ACCOUNTANTS, ECONOMISTS, SPECIALISTS, AND EXAMINERS.—

''(1) APPLICABILITY.—This section applies with respect to any position of examiner, accountant, specialist in financial markets, specialist in information technology, and economist at the Agency, with respect to supervision and regulation of the regulated entities, that is in the competitive service.

''(2) APPOINTMENT AUTHORITY.—The Director may appoint candidates to any position described in paragraph (1)—

''(A) in accordance with the statutes, rules, and regulations governing appointments in the excepted service; and

''(B) notwithstanding any statutes, rules, and regulations governing appointments in the competitive service.

''(3) RULE OF CONSTRUCTION.—The appointment of a candidate to a position under the authority of this subsection shall not be considered to cause such position to be converted from the competitive service to the excepted service.''.

(c) REPEAL.—Section 20 of the Federal Home Loan Bank Act (12 U.S.C. 1440) is amended—

(1) by striking the section heading and inserting the following: ''EXAMINATIONS AND GAO AUDITS'';

(2) in the third sentence, by striking ''the Board and'' each place such term appears; and

(3) by striking the first two sentences and inserting the following: ''The Federal home loan banks shall be subject to examinations by the Director to the extent provided in section 1317 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4517).''.

SEC. 108. PROHIBITION AND WITHHOLDING OF EXECUTIVE COMPENSATION.

(a) IN GENERAL.—Section 1318 of the Housing and Community Development Act of 1992 (12 U.S.C. 4518) is amended—

(1) in the section heading, by striking ''**OF EXCESSIVE**'' and inserting ''**AND WITHHOLDING OF EXECUTIVE**'';

(2) by redesignating subsection (b) as subsection (d); and

(3) by inserting after subsection (a) the following new subsections:

''(b) FACTORS.—In making any determination under subsection (a), the Director may take into consideration any factors the Director considers relevant, including any wrongdoing on the part of the executive officer, and such wrongdoing shall include any fraudulent act or omission, breach of trust or fiduciary duty, violation of law, rule, regulation, order, or written agreement, and insider abuse with respect to the regulated entity. The approval of an agreement or contract pursuant to section 309(d)(3)(B) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(d)(3)(B)) or section 303(h)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(h)(2)) shall not preclude the Director from making any subsequent determination under subsection (a).

''(c) WITHHOLDING OF COMPENSATION.—In carrying out subsection (a), the Director may require a regulated entity to withhold any payment, transfer, or disbursement of compensation to an executive officer, or to place such compensation in an escrow account, during the review of the reasonableness and comparability of compensation.''.

(b) CONFORMING AMENDMENTS.—

(1) FANNIE MAE.—Section 309(d) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(d)) is amended by adding at the end the following new paragraph:

''(4) Notwithstanding any other provision of this section, the corporation shall not transfer, disburse, or pay compensation to any executive officer, or enter into an agreement with such executive officer, without the approval of the Director, for matters being reviewed under section 1318 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4518).''.

(2) FREDDIE MAC.—Section 303(h) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(h)) is amended by adding at the end the following new paragraph:

''(4) Notwithstanding any other provision of this section, the Corporation shall not transfer, disburse, or pay compensation to any executive officer, or enter into an agreement with such executive officer, without the approval of the Director, for matters being reviewed under section 1318 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4518).''.

(3) FEDERAL HOME LOAN BANKS.—Section 7 of the Federal Home Loan Bank Act (12 U.S.C. 1427) is amended by adding at the end the following new subsection:

''(l) WITHHOLDING OF COMPENSATION.—Notwithstanding any other provision of this section, a Federal home loan bank shall not transfer, disburse, or pay compensation to any executive officer, or enter into an agreement with such executive officer, without the approval of the Director, for matters being reviewed under section 1318 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4518).''.

SEC. 109. REVIEWS OF REGULATED ENTITIES.

Section 1319 of the Housing and Community Development Act of 1992 (12 U.S.C. 4519) is amended—

(1) by striking the section designation and heading and inserting the following:

''SEC. 1319. REVIEWS OF REGULATED ENTITIES.''; and

(2) by striking ''is a nationally recognized'' and all that follows through ''1934'' and inserting the following: ''the Director considers appropriate, including an entity that is registered under section 15 of the Securities Exchange Act of 1934 (15 U.S.C. 78a) as a nationally registered statistical rating organization''.

SEC. 110. INCLUSION OF MINORITIES AND WOMEN; DIVERSITY IN AGENCY WORKFORCE.

Section 1319A of the Housing and Community Development Act of 1992 (12 U.S.C. 4520) is amended—

(1) in the section heading, by striking ''**EQUAL OPPORTUNITY IN SOLICITATION OF CONTRACTS**'' and inserting ''**MINORITY AND WOMEN INCLUSION; DIVERSITY REQUIREMENTS**'';

(2) in subsection (a), by striking ''(a) IN GENERAL.—Each enterprise'' and inserting ''(e) OUTREACH.—Each regulated entity''; and

(3) by striking subsection (b);

(4) by inserting before subsection (e), as so redesignated by paragraph (2) of this section, the following new subsections:

''(a) OFFICE OF MINORITY AND WOMEN INCLUSION.—Each regulated entity shall establish an Office of Minority and Women Inclusion, or designate an office of the entity, that shall be responsible for carrying out this section and all matters of the entity relating to diversity in management, employment, and business activities in accordance with such standards and requirements as the Director shall establish.

''(b) INCLUSION IN ALL LEVELS OF BUSINESS ACTIVITIES.—Each regulated entity shall develop and implement standards and procedures to ensure, to the maximum extent possible, the inclusion and utilization of minorities (as such term is defined in section 1204(c) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1811 note)) and women, and minority- and women-owned businesses (as such terms are defined in section 21A(r)(4) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(r)(4)) (including financial institutions, investment banking firms, mortgage banking firms, asset management firms, broker-dealers, financial services firms, underwriters, accountants, brokers, investment consultants, and providers of legal services) in all business and activities of the regulated entity at all levels, including in procurement, insurance, and all types of contracts (including contracts for the issuance or guarantee of any debt, equity, or mortgage-related securities, the management of its mortgage and securities portfolios, the making of its equity investments, the purchase, sale and servicing of single- and multi-family mortgage loans, and the implementation of its affordable housing program and initiatives). The processes established by each regulated entity for review and evaluation for contract proposals and to hire service providers shall include a component that gives consideration to the diversity of the applicant.

''(c) APPLICABILITY.—This section shall apply to all contracts of a regulated entity for services of any kind, including services that require the services of investment banking, asset management entities, broker-dealers, financial services entities, underwriters, accountants, investment consultants, and providers of legal services.

''(d) INCLUSION IN ANNUAL REPORTS.—Each regulated entity shall include, in the annual report submitted by the entity to the Director pursuant to section 309(k) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(k)), section 307(c) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1456(c)), and section 20 of the Federal Home Loan Bank Act (12 U.S.C. 1440), as applicable, detailed information describing the actions taken by the entity pursuant to this section, which shall include a statement of the total amounts paid by the entity to third party contractors since the last such report and the percentage of such amounts paid to businesses described in subsection (b) of this section.''; and

(5) by adding at the end the following new subsection:

''(f) DIVERSITY IN AGENCY WORKFORCE.—The Agency shall take affirmative steps to seek diversity in its workforce at all levels of the agency consistent with the demographic diversity of the United States, which shall include—

''(1) heavily recruiting at historically Black colleges and universities, Hispanic-serving institutions, women's colleges, and colleges that typically serve majority minority populations;

''(2) sponsoring and recruiting at job fairs in urban communities, and placing employment advertisements in newspapers and magazines oriented toward women and people of color;

''(3) partnering with organizations that are focused on developing opportunities for minorities and women to place talented young minorities and women in industry internships, summer employment, and full-time positions; and

''(4) where feasible, partnering with inner-city high schools, girls' high schools, and high schools with majority minority populations to establish or enhance financial literacy programs and provide mentoring.''.

SEC. 111. REGULATIONS AND ORDERS.

Section 1319G of the Housing and Community Development Act of 1992 (12 U.S.C. 4526) is amended—

(1) by striking subsection (a) and inserting the following new subsection:

''(a) AUTHORITY.—The Director shall issue any regulations, guidelines, and orders necessary to carry out the duties of the Director

under this title and each of the authorizing statutes to ensure that the purposes of this title and such statutes are accomplished.'';

(2) in subsection (b), by inserting '', this title, or any of the authorizing statutes'' after ''under this section''; and

(3) by striking subsection (c).

SEC. 112. NON-WAIVER OF PRIVILEGES.

Part 1 of subtitle A of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4511) is amended by adding at the end the following new section:

''SEC. 1319H. PRIVILEGES NOT AFFECTED BY DISCLOSURE.

''(a) IN GENERAL.—The submission by any person of any information to the Agency for any purpose in the course of any supervisory or regulatory process of the Agency shall not be construed as waiving, destroying, or otherwise affecting any privilege such person may claim with respect to such information under Federal or State law as to any person or entity other than the Agency.

''(b) RULE OF CONSTRUCTION.—No provision of subsection (a) may be construed as implying or establishing that—

''(1) any person waives any privilege applicable to information that is submitted or transferred under any circumstance to which subsection (a) does not apply; or

''(2) any person would waive any privilege applicable to any information by submitting the information to the Agency, but for this subsection.''.

SEC. 113. RISK-BASED CAPITAL REQUIREMENTS.

(a) IN GENERAL.—Section 1361 of the Housing and Community Development Act of 1992 (12 U.S.C. 4611) is amended to read as follows:

''SEC. 1361. RISK-BASED CAPITAL LEVELS FOR REGULATED ENTITIES.

''(a) IN GENERAL.—

''(1) ENTERPRISES.—The Director shall, by regulation, establish risk-based capital requirements for the enterprises to ensure that the enterprises operate in a safe and sound manner, maintaining sufficient capital and reserves to support the risks that arise in the operations and management of the enterprises.

''(2) FEDERAL HOME LOAN BANKS.—The Director shall establish risk-based capital standards under section 6 of the Federal Home Loan Bank Act for the Federal home loan banks.

''(b) CONFIDENTIALITY OF INFORMATION.—Any person that receives any book, record, or information from the Director or a regulated entity to enable the risk-based capital requirements established under this section to be applied shall—

''(1) maintain the confidentiality of the book, record, or information in a manner that is generally consistent with the level of confidentiality established for the material by the Director or the regulated entity; and

''(2) be exempt from section 552 of title 5, United States Code, with respect to the book, record, or information.

''(c) NO LIMITATION.—Nothing in this section shall limit the authority of the Director to require other reports or undertakings, or take other action, in furtherance of the responsibilities of the Director under this Act.''.

(b) FEDERAL HOME LOAN BANKS RISK-BASED CAPITAL.—Section 6(a)(3) of the Federal Home Loan Bank Act (12 U.S.C. 1426(a)(3)) is amended—

(1) by striking subparagraph (A) and inserting the following new subparagraph:

''(A) RISK-BASED CAPITAL STANDARDS.—The Director shall, by regulation, establish risk-based capital standards for the Federal home loan banks to ensure that the Federal home loan banks operate in a safe and sound manner, with sufficient permanent capital and reserves to support the risks that arise in the operations and management of the Federal home loans banks.''; and

(2) in subparagraph (B), by striking ''(A)(ii)'' and inserting ''(A)''.

SEC. 114. MINIMUM AND CRITICAL CAPITAL LEVELS.

(a) MINIMUM CAPITAL LEVEL.—Section 1362 of the Housing and Community Development Act of 1992 (12 U.S.C. 4612) is amended—

(1) in subsection (a), by striking ''IN GENERAL'' and inserting ''ENTERPRISES''; and

(2) by striking subsection (b) and inserting the following new subsections:

''(b) FEDERAL HOME LOAN BANKS.—For purposes of this subtitle, the minimum capital level for each Federal home loan bank shall be the minimum capital required to be maintained to comply with the leverage requirement for the bank established under section 6(a)(2) of the Federal Home Loan Bank Act (12 U.S.C. 1426(a)(2)).

''(c) ESTABLISHMENT OF REVISED MINIMUM CAPITAL LEVELS.—Notwithstanding subsections (a) and (b) and notwithstanding the capital classifications of the regulated entities, the Director may, by regulations issued under section 1319G, establish a minimum capital level for the enterprises, for the Federal home loan banks, or for both the enterprises and the banks, that is higher than the level specified in subsection (a) for the enterprises or the level specified in subsection (b) for the Federal home loan banks, to the extent needed to ensure that the regulated entities operate in a safe and sound manner.

''(d) AUTHORITY TO REQUIRE TEMPORARY INCREASE.—Notwithstanding subsections (a) and (b) and any minimum capital level established pursuant to subsection (c), the Director may, by order, increase the minimum capital level for a regulated entity on a temporary basis for such period as the Director may provide if the Director—

''(1) makes any determination specified in subparagraphs (A) through (C) of section 1364(c)(1);

''(2) determines that the regulated entity has violated any of the prudential standards established pursuant to section 1313A and, as a result of such violation, determines that an unsafe and unsound condition exists; or

''(3) determines that an unsafe and unsound condition exists, except that a temporary increase in minimum capital imposed on a regulated entity pursuant to this paragraph shall not remain in place for a period of more than 6 months unless the Director makes a renewed determination of the existence of an unsafe and unsound condition.

''(e) AUTHORITY TO ESTABLISH ADDITIONAL CAPITAL AND RESERVE REQUIREMENTS FOR PARTICULAR PROGRAMS.—The Director may, at any time by order or regulation, establish such capital or reserve requirements with respect to any program or activity of a regulated entity as the Director considers appropriate to ensure that the regulated entity operates in a safe and sound manner, with sufficient capital and reserves to support the risks that arise in the operations and management of the regulated entity.

''(f) PERIODIC REVIEW.—The Director shall periodically review the amount of core capital maintained by the enterprises, the amount of capital retained by the Federal home loan banks, and the minimum capital levels established for such regulated entities pursuant to this section. The Director shall rescind any temporary minimum capital level increase if the Director determines that the circumstances or facts justifying the temporary increase are no longer present.''.

(b) CRITICAL CAPITAL LEVELS.—

(1) IN GENERAL.—Section 1363 of the Housing and Community Development Act of 1992 (12 U.S.C. 4613) is amended—

(A) by striking ''For'' and inserting ''(a) ENTERPRISES.—FOR''; and

(B) by adding at the end the following new subsection:

''(b) FEDERAL HOME LOAN BANKS.—

''(1) IN GENERAL.—For purposes of this subtitle, the critical capital level for each Federal home loan bank shall be such amount of capital as the Director shall, by regulation require.

''(2) CONSIDERATION OF OTHER CRITICAL CAPITAL LEVELS.—In establishing the critical capital level under paragraph (1) for the Federal home loan banks, the Director shall take due consideration of the critical capital level established under subsection (a) for the enterprises, with such modifications as the Director determines to be appropriate to reflect the difference in operations between the banks and the enterprises.''.

(2) REGULATIONS.—Not later than the expiration of the 180-day period beginning on the effective date under section 185, the Director of the Federal Housing Finance Agency shall issue regulations pursuant to section 1363(b) of the Housing and Community Development Act of 1992 (as added by paragraph (1) of this subsection) establishing the critical capital level under such section.

SEC. 115. REVIEW OF AND AUTHORITY OVER ENTERPRISE ASSETS AND LIABILITIES.

(a) IN GENERAL.—Subtitle B of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4611 et seq.) is amended—

(1) by striking the subtitle designation and heading and inserting the following:

''Subtitle B—Required Capital Levels for Regulated Entities, Special Enforcement Powers, and Reviews of Assets and Liabilities'';

and

(2) by adding at the end the following new section:

''SEC. 1369E. REVIEWS OF ENTERPRISE ASSETS AND LIABILITIES.

''(a) IN GENERAL.—The Director shall, by regulation, establish standards by which the portfolio holdings, or rate of growth of the portfolio holdings, of the enterprises will be deemed to be consistent with the mission and the safe and sound operations of the enterprises. In developing such standards, the Director shall consider—

''(1) the size or growth of the mortgage market;

''(2) the need for the portfolio in maintaining liquidity or stability of the secondary mortgage market (including the market for the mortgage-backed securities the enterprises issue);

''(3) the need for an inventory of mortgages in connection with securitizations;

''(4) the need for the portfolio to directly support the affordable housing mission of the enterprises;

''(5) the liquidity needs of the enterprises;

''(6) any potential risks posed by the nature of the portfolio holdings; and

''(7) any additional factors that the Director determines to be necessary to carry out the purpose under the first sentence of this subsection to establish standards for assessing whether the portfolio holdings are consistent with the mission and safe and sound operations of the enterprises.

''(b) TEMPORARY ADJUSTMENTS.—The Director may, by order, make temporary adjustments to the established standards for an enterprise or both enterprises, such as during times of economic distress or market disruption.

''(c) AUTHORITY TO REQUIRE DISPOSITION OR ACQUISITION.—The Director shall monitor the portfolio of each enterprise. Pursuant to subsection (a) and notwithstanding the capital classifications of the enterprises, the Director may, by order, require an enterprise, under such terms and conditions as the Director determines to be appropriate, to dispose of or acquire any asset, if the Director determines that such action is consistent with the purposes of this Act or any of the authorizing statutes.''.

(b) REGULATIONS.—Not later than the expiration of the 180-day period beginning on the effective date under section 185, the Director of the Federal Housing Finance Agency shall issue regulations pursuant to section 1369E(a) of the Housing and Community Development Act of 1992 (as added by subsection (a) of this section) establishing the portfolio holdings standards under such section.

SEC. 116. CORPORATE GOVERNANCE OF ENTERPRISES.

The Housing and Community Development Act of 1992 is amended by inserting before section 1323 (12 U.S.C. 4543) the following new section:

''SEC. 1322A. CORPORATE GOVERNANCE OF ENTERPRISES.

''(a) BOARD OF DIRECTORS.—

''(1) INDEPENDENCE.—A majority of seated members of the board of directors of each enterprise shall be independent board members, as defined under rules set forth by the New York Stock Exchange, as such rules may be amended from time to time.

''(2) FREQUENCY OF MEETINGS.—To carry out its obligations and duties under applicable laws, rules, regulations, and guidelines, the board of directors of an enterprise shall meet at least eight times a year and not less than once a calendar quarter.

''(3) NON-MANAGEMENT BOARD MEMBER MEETINGS.—The non-management directors of an enterprise shall meet at regularly scheduled executive sessions without management participation.

''(4) QUORUM; PROHIBITION ON PROXIES.—For the transaction of business, a quorum of the board of directors of an enterprise shall be at least a majority of the seated board of directors and a board member may not vote by proxy.

''(5) INFORMATION.—The management of an enterprise shall provide a board member of the enterprise with such adequate and appropriate information that a reasonable board member would find important to the fulfillment of his or her fiduciary duties and obligations.

''(6) ANNUAL REVIEW.—At least annually, the board of directors of each enterprise shall review, with appropriate professional assistance, the requirements of laws, rules, regulations, and guidelines that are applicable to its activities and duties.

''(b) COMMITTEES OF BOARDS OF DIRECTORS.—

''(1) FREQUENCY OF MEETINGS.—Any committee of the board of directors of an enterprise shall meet with sufficient frequency to carry out its obligations and duties under applicable laws, rules, regulations, and guidelines.

''(2) REQUIRED COMMITTEES.—Each enterprise shall provide for the establishment, however styled, of the following committees of the board of directors:

''(A) Audit committee.

''(B) Compensation committee.

''(C) Nominating/corporate governance committee.

Such committees shall be in compliance with the charter, independence, composition, expertise, duties, responsibilities, and other requirements set forth under section 10A(m) of the Securities Exchange Act of 1934 (15 U.S.C. 78j–1(m)), with respect to the audit committee, and under rules issued by the New York Stock Exchange, as such rules may be amended from time to time.

''(c) COMPENSATION.—

''(1) IN GENERAL.—The compensation of board members, executive officers, and employees of an enterprise—

''(A) shall not be in excess of that which is reasonable and appropriate;

''(B) shall be commensurate with the duties and responsibilities of such persons;

''(C) shall be consistent with the long-term goals of the enterprise;

''(D) shall not focus solely on earnings performance, but shall take into account risk management, operational stability and legal and regulatory compliance as well; and

''(E) shall be undertaken in a manner that complies with applicable laws, rules, and regulations.

''(2) REIMBURSEMENT.—If an enterprise is required to prepare an accounting restatement due to the material noncompliance of the enterprise, as a result of misconduct, with any financial reporting requirement under the securities laws, the chief executive officer and chief financial officer of the enterprise shall reimburse the enterprise as provided under section 304 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7243). This provision does not otherwise limit the authority of the Agency to employ remedies available to it under its enforcement authorities.

''(d) CODE OF CONDUCT AND ETHICS.—

''(1) IN GENERAL.—An enterprise shall establish and administer a written code of conduct and ethics that is reasonably designed to assure the ability of board members, executive officers, and employees of the enterprise to discharge their duties and responsibilities, on behalf of the enterprise, in an objective and impartial manner, and that includes standards required under section 406 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7264) and other applicable laws, rules, and regulations.

''(2) REVIEW.—Not less than once every three years, an enterprise shall review the adequacy of its code of conduct and ethics for consistency with practices appropriate to the enterprise and make any appropriate revisions to such code.

''(e) CONDUCT AND RESPONSIBILITIES OF BOARD OF DIRECTORS.—The board of directors of an enterprise shall be responsible for directing the conduct and affairs of the enterprise in furtherance of the safe and sound operation of the enterprise and shall remain reasonably informed of the condition, activities, and operations of the enterprise. The responsibilities of the board of directors shall include having in place adequate policies and procedures to assure its oversight of, among other matters, the following:

''(1) Corporate strategy, major plans of action, risk policy, programs for legal and regulatory compliance and corporate performance, including prudent plans for growth and allocation of adequate resources to manage operations risk.

''(2) Hiring and retention of qualified executive officers and succession planning for such executive officers.

''(3) Compensation programs of the enterprise.

''(4) Integrity of accounting and financial reporting systems of the enterprise, including independent audits and systems of internal control.

''(5) Process and adequacy of reporting, disclosures, and communications to shareholders, investors, and potential investors.

''(6) Extensions of credit to board members and executive officers.

''(7) Responsiveness of executive officers in providing accurate and timely reports to Federal regulators and in addressing the supervisory concerns of Federal regulators in a timely and appropriate manner.

''(f) PROHIBITION OF EXTENSIONS OF CREDIT.—An enterprise may not directly or indirectly, including through any subsidiary, extend or maintain credit, arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any board member or executive officer of the enterprise, as provided by section 13(k) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(k)).

''(g) CERTIFICATION OF DISCLOSURES.—The chief executive officer and the chief financial officer of an enterprise shall review each quarterly report and annual report issued by the enterprise and such reports shall include certifications by such officers as required by section 302 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7241).

''(h) CHANGE OF AUDIT PARTNER.—An enterprise may not accept audit services from an external auditing firm if the lead or coordinating audit partner who has primary responsibility for the external audit of the enterprise, or the external audit partner who has responsibility for reviewing the external audit has performed audit services for the enterprise in each of the five previous fiscal years.

''(i) COMPLIANCE PROGRAM.—

''(1) REQUIREMENT.—Each enterprise shall establish and maintain a compliance program that is reasonably designed to assure that the enterprise complies with applicable laws, rules, regulations, and internal controls.

''(2) COMPLIANCE OFFICER.—The compliance program of an enterprise shall be headed by a compliance officer, however styled, who reports directly to the chief executive officer of the enterprise. The compliance officer shall report regularly to the board of directors or an appropriate committee of the board of directors on compliance with and the adequacy of current compliance policies and procedures of the enterprise, and shall recommend any adjustments to such policies and procedures that the compliance officer considers necessary and appropriate.

''(j) RISK MANAGEMENT PROGRAM.—

''(1) REQUIREMENT.—Each enterprise shall establish and maintain a risk management program that is reasonably designed to manage the risks of the operations of the enterprise.

''(2) RISK MANAGEMENT OFFICER.—The risk management program of an enterprise shall be headed by a risk management officer, however styled, who reports directly to the chief executive officer of the enterprise. The risk management officer shall report regularly to the board of directors or an appropriate committee of the board of directors on compliance with and the adequacy of current risk management policies and procedures of the enterprise, and shall recommend any adjustments to such policies and procedures that the risk management officer considers necessary and appropriate.

''(k) COMPLIANCE WITH OTHER LAWS.—

''(1) DEREGISTERED OR UNREGISTERED COMMON STOCK.—If an enterprise deregisters or has not registered its common stock with the Securities and Exchange Commission under the Securities Exchange Act of 1934, the enterprise shall comply or continue to comply with sections 10A(m) and 13(k) of the Securities Exchange Act of 1934 (15 U.S.C. 78j–1(m), 78m(k)) and sections 302, 304, and 406 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7241, 7243, 7264), subject to such requirements as provided by subsection (l) of this section.

''(2) REGISTERED COMMON STOCK.—An enterprise that has its common stock registered with the Securities and Exchange Commission shall maintain such registered status, unless it provides 60 days prior written notice to the Director stating its intent to deregister and its understanding that it will remain subject to the requirements of the sections of the Securities Exchange Act of 1934 and the Sarbanes-Oxley Act of 2002, subject to such requirements as provided by subsection (l) of this section.

''(l) OTHER MATTERS.—The Director may from time to time establish standards, by regulation, order, or guideline, regarding such other corporate governance matters of the enterprises as the Director considers appropriate.

''(m) MODIFICATION OF STANDARDS.—In connection with standards of Federal or State law (including the Revised Model Corporation Act) or New York Stock Exchange rules that are made applicable to an enterprise by section 1710.10 of the Director's rules (12 C.F.R. 1710.10) and by subsections (a), (b), (g), (i), (j), and (k) of this section, the Director, in the Director's sole discretion, may modify the standards contained in this section or in part 1710 of the Director's rules (12 C.F.R. Part 1710) in accordance with section 553 of title 5, United States Code, and upon written notice to the enterprise.''.

SEC. 117. REQUIRED REGISTRATION UNDER SECURITIES EXCHANGE ACT OF 1934.

The Housing and Community Development Act of 1992 is amended by adding after section 1322A, as added by the preceding provisions of this Act, the following new section:

''SEC. 1322B. REQUIRED REGISTRATION UNDER SECURITIES EXCHANGE ACT OF 1934.

''(a) IN GENERAL.—Each regulated entity shall register at least one class of the capital stock of such regulated entity, and maintain such registration with the Securities and Exchange Commission, under the Securities Exchange Act of 1934.

''(b) ENTERPRISES.—Each enterprise shall comply with sections 14 and 16 of the Securities Exchange Act of 1934.''.

SEC. 118. LIAISON WITH FINANCIAL INSTITUTIONS EXAMINATION COUNCIL.

Section 1007 of the Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3306) is amended—

(1) in the section heading, by inserting after ''STATE'' the following: ''AND FEDERAL HOUSING FINANCE AGENCY''; and

(2) by inserting after ''financial institutions'' the following: '', and one representative of the Federal Housing Finance Agency,''.

SEC. 119. GUARANTEE FEE STUDY.

(a) IN GENERAL.—The Director of the Federal Housing Finance Agency, in consultation with the heads of the federal banking agencies, shall, not later than 18 months after the date of the enactment of this Act, submit to the Congress a study concerning the pricing, transparency and reporting of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Federal home loan banks with regard to guarantee fees and concerning analogous practices, transparency and reporting requirements (including advances pricing practices by the Federal Home Loan Banks) of other participants in the business of mortgage purchases and securitization.

(b) FACTORS.—The study required by this section shall examine various factors such as credit risk, counterparty risk considerations, economic value considerations, and volume considerations used by the regulated entities (as such term is defined in section 1303 of the Housing and Community Development Act of 1992) included in the study in setting the amount of fees they charge.

(c) CONTENTS OF REPORT.—The report required under subsection (a) shall identify and analyze—

(1) the factors used by each enterprise (as such term is defined in section 1303 of the Housing and Community Development Act of 1992) in determining the amount of the guarantee fees it charges;

(2) the total revenue the enterprises earn from guarantee fees;

(3) the total costs incurred by the enterprises for providing guarantees;

(4) the average guarantee fee charged by the enterprises;

(5) an analysis of how and why the guarantee fees charged differ from such fees charged during the previous year;

(6) a breakdown of the revenue and costs associated with providing guarantees, based on product type and risk classifications; and

(7) other relevant information on guarantee fees with other participants in the mortgage and securitization business.

(d) PROTECTION OF INFORMATION.—Nothing in this section may be construed to require or authorize the Director of the Federal Housing Finance Agency, in connection with the study mandated by this section, to disclose information of the enterprises or other organization that is confidential or proprietary.

(e) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 120. CONFORMING AMENDMENTS.

(a) 1992 ACT.—Part 1 of subtitle A of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4511 et seq.), as amended by the preceding provisions of this Act, is further amended—

(1) by striking ''an enterprise'' each place such term appears in such part (except in sections 1313(a)(2)(A), 1313A(b)(2)(B)(ii)(I), and 1316(b)(3)) and inserting ''a regulated entity'';

(2) by striking ''the enterprise'' each place such term appears in such part (except in section 1316(b)(3)) and inserting ''the regulated entity'';

(3) by striking ''the enterprises'' each place such term appears in such part (except in sections 1312(c)(2), and 1312(e)(2)) and inserting ''the regulated entities'';

(4) by striking ''each enterprise'' each place such term appears in such part and inserting ''each regulated entity'';

(5) by striking ''Office'' each place such term appears in such part (except in sections 1311(b)(2), 1312(b)(5), 1315(b), and 1316(a)(4), (g), and (h), 1317(c), and 1319A(a)) and inserting ''Agency'';

(6) in section 1315 (12 U.S.C. 4515)—

(A) in subsection (a)—

(i) in the subsection heading, by striking ''OFFICE PERSONNEL'' and inserting ''IN GENERAL''; and

(ii) by striking ''The'' and inserting ''Subject to title III of the Federal Housing Finance Reform Act of 2007, the'';

(B) by striking subsections (d) and (f); and

(C) by redesignating subsection (e) as subsection (d);

(7) in section 1319B (12 U.S.C. 4521), by striking ''Committee on Banking, Finance and Urban Affairs'' each place such term appears and inserting ''Committee on Financial Services''; and

(8) in section 1319F (12 U.S.C. 4525), striking all that follows ''United States Code'' and inserting '', the Agency shall be considered an agency responsible for the regulation or supervision of financial institutions.''.

(b) AMENDMENTS TO FANNIE MAE CHARTER ACT.—The Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.) is amended—

(1) by striking ''Director of the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development'' each place such term appears, and inserting ''Director of the Federal Housing Finance Agency'', in—

(A) section 303(c)(2) (12 U.S.C. 1718(c)(2));

(B) section 309(d)(3)(B) (12 U.S.C. 1723a(d)(3)(B)); and

(C) section 309(k)(1); and

(2) in section 309—

(A) in subsections (d)(3)(A) and (n)(1), by striking ''Banking, Finance and Urban Affairs'' each place such term appears and inserting ''Financial Services''; and

(B) in subsection (m)—

(i) in paragraph (1), by striking ''Secretary'' the second place such term appears and inserting ''Director'';

(ii) in paragraph (2), by striking ''Secretary'' the second place such term appears and inserting ''Director''; and

(iii) by striking ''Secretary'' each other place such term appears and inserting ''Director of the Federal Housing Finance Agency''; and

(C) in subsection (n), by striking ''Secretary'' each place such term appears and inserting ''Director of the Federal Housing Finance Agency''.

(c) AMENDMENTS TO FREDDIE MAC ACT.—The Federal Home Loan Mortgage Corporation Act is amended—

(1) by striking ''Director of the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development'' each place such term appears, and inserting ''Director of the Federal Housing Finance Agency'', in—

(A) section 303(b)(2) (12 U.S.C. 1452(b)(2));

(B) section 303(h)(2) (12 U.S.C. 1452(h)(2)); and

(C) section 307(c)(1) (12 U.S.C. 1456(c)(1));

(2) in sections 303(h)(1) and 307(f)(1) (12 U.S.C. 1452(h)(1), 1456(f)(1)), by striking ''Banking, Finance and Urban Affairs'' each place such term appears and inserting ''Financial Services'';

(3) in section 306(i) (12 U.S.C. 1455(i))—

(A) by striking ''1316(c)'' and inserting ''306(c)''; and

(B) by striking ''section 106'' and inserting ''section 1316''; and

(4) in section 307 (12 U.S.C. 1456))—

(A) in subsection (e)—

(i) in paragraph (1), by striking ''Secretary'' the second place such term appears and inserting ''Director'';

(ii) in paragraph (2), by striking ''Secretary'' the second place such term appears and inserting ''Director''; and

(iii) by striking ''Secretary'' each other place such term appears and inserting ''Director of the Federal Housing Finance Agency''; and

(B) in subsection (f), by striking ''Secretary'' each place such term appears and inserting ''Director of the Federal Housing Finance Agency''.

Subtitle B—Improvement of Mission Supervision

SEC. 131. TRANSFER OF PRODUCT APPROVAL AND HOUSING GOAL OVERSIGHT.

Part 2 of subtitle A of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4541 et seq.) is amended—

(1) by striking the designation and heading for the part and inserting the following:

''PART 2—PRODUCT APPROVAL BY DIRECTOR, CORPORATE GOVERNANCE, AND ESTABLISHMENT OF HOUSING GOALS'';

and

(2) by striking sections 1321 and 1322.

SEC. 132. REVIEW OF ENTERPRISE PRODUCTS.

(a) IN GENERAL.—Part 2 of subtitle A of title XIII of the Housing and Community Development Act of 1992 is amended by inserting before section 1323 (12 U.S.C. 4543) the following new section:

''SEC. 1321. PRIOR APPROVAL AUTHORITY FOR PRODUCTS OF ENTERPRISES.

''(a) IN GENERAL.—The Director shall require each enterprise to obtain the approval of the Director for any product of the enterprise before initially offering the product.

''(b) STANDARD FOR APPROVAL.—In considering any request for approval of a product pursuant to subsection (a), the Director shall make a determination that—

''(1) in the case of a product of the Federal National Mortgage Association, the Director determines that the product is authorized under paragraph (2), (3), (4), or (5) of section 302(b) or section 304 of the Federal National Mortgage Association Charter Act, (12 U.S.C. 1717(b), 1719);

''(2) in the case of a product of the Federal Home Loan Mortgage Corporation, the Director determines that the product is authorized under paragraph (1), (4), or (5) of section 305(a) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a));

''(3) the product is in the public interest;

''(4) the product is consistent with the safety and soundness of the enterprise or the mortgage finance system; and

''(5) the product does not materially impair the efficiency of the mortgage finance system.

''(c) PROCEDURE FOR APPROVAL.—

''(1) SUBMISSION OF REQUEST.—An enterprise shall submit to the Director a written request for approval of a product that describes the product in such form as prescribed by order or regulation of the Director.

''(2) REQUEST FOR PUBLIC COMMENT.—Immediately upon receipt of a request for approval of a product, as required under paragraph (1), the Director shall publish notice of such request and of the period for public comment pursuant to paragraph (3) regarding the product, and a description of the product proposed by the request. The Director shall give interested parties the opportunity to respond in writing to the proposed product.

''(3) PUBLIC COMMENT PERIOD.—During the 30-day period beginning on the date of publication pursuant to paragraph (2) of a request for approval of a product, the Director shall receive public comments regarding the proposed product.

''(4) OFFERING OF PRODUCT.—

''(A) IN GENERAL.—Not later than 30 days after the close of the public comment period described in paragraph (3), the Director shall approve or deny the product, specifying the grounds for such decision in writing.

''(B) FAILURE TO ACT.—If the Director fails to act within the 30-day period described in subparagraph (A), the enterprise may offer the product.

''(d) EXPEDITED REVIEW.—

''(1) DETERMINATION AND NOTICE.—If an enterprise determines that any new activity, service, undertaking, or offering is not a product, as defined in subsection (f), the enterprise shall provide written notice to the Director prior to the commencement of such activity, service, undertaking, or offering.

''(2) DIRECTOR DETERMINATION OF APPLICABLE PROCEDURE.—Immediately upon receipt of any notice pursuant to paragraph (1), the Director shall make a determination under paragraph (3).

''(3) DETERMINATION AND TREATMENT AS PRODUCT.—If the Director determines that any new activity, service, undertaking, or offering consists of, relates to, or involves a product—

''(A) the Director shall notify the enterprise of the determination;

''(B) the new activity, service, undertaking, or offering described in the notice under paragraph (1) shall be considered a product for purposes of this section; and

''(C) the enterprise shall withdraw its request or submit a written request for approval of the product pursuant to subsection (c).

''(e) CONDITIONAL APPROVAL.—The Director may conditionally approve the offering of any product by an enterprise, and may establish terms, conditions, or limitations with respect to such product with which the enterprise must comply in order to offer such product.

''(f) DEFINITION OF PRODUCT.—For purposes of this section, the term 'product' does not include—

''(1) the automated loan underwriting system of an enterprise in existence as of the date of the enactment of the Federal Housing Finance Reform Act of 2007, including any upgrade to the technology, operating system, or software to operate the underwriting system; or

''(2) any modification to the mortgage terms and conditions or mortgage underwriting criteria relating to the mortgages that are purchased or guaranteed by an enterprise: Provided, That such modifications do not alter the underlying transaction so as to include services or financing, other than residential mortgage financing, or create significant new exposure to risk for the enterprise or the holder of the mortgage.

''(g) NO LIMITATION.—Nothing in this section shall be deemed to restrict—

''(1) the safety and soundness authority of the Director over all new and existing products or activities; or

''(2) the authority of the Director to review all new and existing products or activities to determine that such products or activities are consistent with the statutory mission of the enterprise.''.

(b) CONFORMING AMENDMENTS.—

(1) FANNIE MAE.—Section 302(b)(6) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)(6)) is amended—

(A) by striking ''implement any new program'' and inserting ''initially offer any product'';

(B) by striking ''section 1303'' and inserting ''section 1321(f)''; and

(C) by striking ''before obtaining the approval of the Secretary under section 1322'' and inserting ''except in accordance with section 1321''.

(2) FREDDIE MAC.—Section 305(c) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(c)) is amended—

(A) by striking ''implement any new program'' and inserting ''initially offer any product'';

(B) by striking ''section 1303'' and inserting ''section 1321(f)''; and

(C) by striking ''before obtaining the approval of the Secretary under section 1322'' and inserting ''except in accordance with section 1321''.

(3) 1992 ACT.—Section 1303 of the Housing and Community Development Act of 1992 (12 U.S.C. 4502), as amended by section 2 of this Act, is further amended—

(A) by striking paragraph (17) (relating to the definition of ''new program'') ; and

(B) by redesignating paragraphs (18) through (23) as paragraphs (17) through (22), respectively.

SEC. 133. CONFORMING LOAN LIMITS.

(a) FANNIE MAE.—

(1) GENERAL LIMIT.—Section 302(b)(2) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)(2)) is amended—

(A) in the 4th sentence, by striking ''the Resolution Trust Corporation,''; and

(B) by striking the 7th and 8th sentences and inserting the following new sentences: ''For 2007, such limitations shall not exceed $417,000 for a mortgage secured by a single-family residence, $533,850 for a mortgage secured by a 2-family residence, $645,300 for a mortgage secured by a 3-family residence, and $801,950 for a mortgage secured by a 4-family residence, except that such maximum limitations shall be adjusted effective January 1 of each year beginning with 2008, subject to the limitations in this paragraph. Each adjustment shall be made by adding to or subtracting from each such amount (as it may have been previously adjusted) a percentage thereof equal to the percentage increase or decrease, during the most recent 12-month or four-quarter period ending before the time of determining such annual adjustment, in the housing price index maintained by the Director of the Federal Housing Finance Agency (pursuant to section 1322 of the Housing and Community Development Act of 1992 (12 U.S.C. 4541)).''.

(2) HIGH-COST AREA LIMIT.—Section 302(b)(2) of the Federal National Mortgage Association Charter Act is (12 U.S.C. 1717(b)(2)) is amended by adding after the period at the end the following: ''Such foregoing limitations shall also be increased with respect to properties of a particular size located in any area for which the median price for such size residence exceeds the foregoing limitation for such size residence, to the lesser of 150 percent of such foregoing limitation for such size residence or the amount that is equal to the median price in such area for such size residence, except that, subject to the order, if any, issued by the Director of the Federal Housing Finance Agency pursuant to section 133(d)(3) of the Federal Housing Finance Reform Act of 2007, such increase shall apply only with respect to mortgages on which are based securities issued and sold by the corporation.''.

(b) FREDDIE MAC.—

(1) GENERAL LIMIT.—Section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2)) is amended—

(A) in the 3rd sentence, by striking ''the Resolution Trust Corporation,''; and

(B) by striking the 6th and 7th sentences and inserting the following new sentences: ''For 2007, such limitations shall not exceed $417,000 for a mortgage secured by a single-family residence, $533,850 for a mortgage secured by a 2-family residence, $645,300 for a mortgage secured by a 3-family residence, and $801,950 for a mortgage secured by a 4-family residence, except that such maximum limitations shall be adjusted effective January 1 of each year beginning with 2008, subject to the limitations in this paragraph. Each adjustment shall be made by adding to or subtracting from each such amount (as it may have been previously adjusted) a percentage thereof equal to the percentage increase or decrease, during the most recent 12-month or four-quarter period ending before the time of determining such annual adjustment, in the housing price index maintained by the Director of the Federal Housing Finance Agency (pursuant to section 1322 of the Housing and Community Development Act of 1992 (12 U.S.C. 4541)).''

(2) HIGH-COST AREA LIMIT.—Section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act is amended by adding after the period at the end the following: ''Such foregoing limitations shall also be increased with respect to properties of a particular size located in any area for which the median price for such size residence exceeds the foregoing limitation for such size residence, to the lesser of 150 percent of such foregoing limitation for such size residence or the amount that is equal to the median price in such area for such size residence, except that, subject to the order, if any, issued by the Director of the Federal Housing Finance Agency pursuant to section 133(d)(3) of the Federal Housing Finance Reform Act of 2007, such increase shall apply only with respect to mortgages on which are based securities issued and sold by the Corporation.''.

(c) HOUSING PRICE INDEX.—Subpart A of part 2 of subtitle A of title XIII of the Housing and Community Development Act of 1992 (as amended by the preceding provisions of this Act) is amended by inserting after section 1321 (as added by section 132 of this Act) the following new section:

''SEC. 1322. HOUSING PRICE INDEX.

''(a) IN GENERAL.—The Director shall establish and maintain a method of assessing the national average 1-family house price for use for adjusting the conforming loan limitations of the enterprises. In establishing such method, the Director shall take into consideration the monthly survey of all major lenders conducted by the Federal Housing Finance Agency to determine the national average 1-family house price, the House Price Index maintained by the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development before the effective date under section 185 of the Federal Housing Finance Reform Act of 2007, any appropriate house price indexes of the Bureau of the Census of the Department of Commerce, and any other indexes or measures that the Director considers appropriate.

''(b) GAO AUDIT.—

''(1) IN GENERAL.—At such times as are required under paragraph (2), the Comptroller General of the United States shall conduct an audit of the methodology established by the Director under subsection (a) to determine whether the methodology established is an accurate and appropriate means of measuring changes to the national average 1-family house price.

''(2) TIMING.—An audit referred to in paragraph (1) shall be conducted and completed not later than the expiration of the 180-day period that begins upon each of the following dates:

''(A) ESTABLISHMENT.—The date upon which such methodology is initially established under subsection (a) in final form by the Director.

''(B) MODIFICATION OR AMENDMENT.—Each date upon which any modification or amendment to such methodology is adopted in final form by the Director.

''(3) REPORT.—Within 30 days of the completion of any audit conducted under this subsection, the Comptroller General shall submit a report detailing the results and conclusions of the audit to the Director, the Committee on Financial Services of the House of Representatives, and the Committee on Banking, Housing, and Urban Affairs of the Senate.''.

(d) CONDITIONS ON CONFORMING LOAN LIMIT FOR HIGH-COST AREAS.—

(1) STUDY.—The Director of the Federal Housing Finance Agency shall conduct a study under this subsection during the six-month period beginning on the effective date under section 185 of this Act.

(2) ISSUES.—The study under this subsection shall determine—

(A) the effect that restricting the conforming loan limits for high-cost areas only to mortgages on which are based securities issued and sold by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation (as provided in the last sentence of section

302(b)(2) of the Federal National Mortgage Association Charter Act and the last sentence of section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act, pursuant to the amendments made by subsections (a)(2) and (b)(2) of this section) would have on the cost to borrowers for mortgages on housing in such high-cost areas;

(B) the effects that such restrictions would have on the availability of mortgages for housing in such high-cost areas; and

(C) the extent to which the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation will be able to issue and sell securities based on mortgages for housing located in such high-cost areas.

(3) DETERMINATION.—

(A) IN GENERAL.—Not later than the expiration of the six-month period specified in paragraph (1), the Director of the Federal Housing Finance Agency shall make a determination, based on the results of the study under this subsection, of whether the restriction of conforming loan limits for high-cost areas only to mortgages on which are based securities issued and sold by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation (as provided in the amendments made by subsections (a)(2) and (b)(2) of this section) will result in an increase in the cost to borrowers for mortgages on housing in such high-cost areas.

(B) ORDER.—If such determination is that costs to borrowers on housing in such high-cost areas will be increased by such restrictions, the Director may issue an order terminating such restrictions, in whole or in part.

(4) PUBLICATION.—Not later than the expiration of the six-month period specified in paragraph (1), the Director of the Federal Housing Finance Agency shall cause to be published in the Federal Register—

(A) a report that—

(i) describes the study under this subsection; and

(ii) sets forth the conclusions of the study regarding the issues to be determined under paragraph (2); and

(B) notice of the determination of the Director under paragraph (3); and

(C) the order of the Director under paragraph (3).

(5) DEFINITION.—For purposes of this subsection, the term ''conforming loan limits for high-cost areas'' means the dollar amount limitations applicable under the section 302(b)(2) of the Federal National Mortgage Association Charter Act and section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (as amended by subsections (a) and (b) of this section) for areas described in the last sentence of such sections (as so amended).

SEC. 134. ANNUAL HOUSING REPORT REGARDING REGULATED ENTITIES.

(a) IN GENERAL.—The Housing and Community Development Act of 1992 is amended by striking section 1324 (12 U.S.C. 4544) and inserting the following new section:

''SEC. 1324. ANNUAL HOUSING REPORT REGARDING REGULATED ENTITIES.

''(a) IN GENERAL.—After reviewing and analyzing the reports submitted under section 309(n) of the Federal National Mortgage Association Charter Act, section 307(f) of the Federal Home Loan Mortgage Corporation Act, and section 10(j)(11) of the Federal Home Loan Bank Act (12 U.S.C. 1430(j)(11)), the Director shall submit a report, not later than October 30 of each year, to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, on the activities of each regulated entity.

''(b) CONTENTS.—The report shall—

''(1) discuss the extent to which—

''(A) each enterprise is achieving the annual housing goals established under subpart B of this part;

''(B) each enterprise is complying with section 1337;

''(C) each Federal home loan bank is complying with section 10(j) of the Federal Home Loan Bank Act; and

''(D) each regulated entity is achieving the purposes of the regulated entity established by law;

''(2) aggregate and analyze relevant data on income to assess the compliance by each enterprise with the housing goals established under subpart B;

''(3) aggregate and analyze data on income, race, and gender by census tract and other relevant classifications, and compare such data with larger demographic, housing, and economic trends;

''(4) examine actions that—

''(A) each enterprise has undertaken or could undertake to promote and expand the annual goals established under subpart B and the purposes of the enterprise established by law; and

''(B) each Federal home loan bank has taken or could undertake to promote and expand the community investment program and affordable housing program of the bank established under section subsections (i) and (j) of section 10 of the Federal Home Loan Bank Act;

''(5) examine the primary and secondary multifamily housing mortgage markets and describe—

''(A) the availability and liquidity of mortgage credit;

''(B) the status of efforts to provide standard credit terms and underwriting guidelines for multifamily housing and to securitize such mortgage products; and

''(C) any factors inhibiting such standardization and securitization;

''(6) examine actions each regulated entity has undertaken and could undertake to promote and expand opportunities for first-time homebuyers, including the use of alternative credit scoring;

''(7) describe any actions taken under section 1325(5) with respect to originators found to violate fair lending procedures;

''(8) discuss and analyze existing conditions and trends, including conditions and trends relating to pricing, in the housing markets and mortgage markets; and

''(9) identify the extent to which each enterprise is involved in mortgage purchases and secondary market activities involving subprime loans (as identified in accordance with the regulations issued pursuant to section 134(b) of the Federal Housing Finance Reform Act of 2007) and compare the characteristics of subprime loans purchased and securitized by the enterprises to other loans purchased and securitized by the enterprises.

''(c) DATA COLLECTION AND REPORTING.—

''(1) IN GENERAL.—To assist the Director in analyzing the matters described in subsection (b) and establishing the methodology described in section 1322, the Director shall conduct, on a monthly basis, a survey of mortgage markets in accordance with this subsection.

''(2) DATA POINTS.—Each monthly survey conducted by the Director under paragraph (1) shall collect data on—

''(A) the characteristics of individual mortgages that are eligible for purchase by the enterprises and the characteristics of individual mortgages that are not eligible for purchase by the enterprises including, in both cases, information concerning—

''(i) the price of the house that secures the mortgage;

''(ii) the loan-to-value ratio of the mortgage, which shall reflect any secondary liens on the relevant property;

''(iii) the terms of the mortgage;

''(iv) the creditworthiness of the borrower or borrowers; and

''(v) whether the mortgage, in the case of a conforming mortgage, was purchased by an enterprise; and

''(B) such other matters as the Director determines to be appropriate.

''(3) PUBLIC AVAILABILITY.—The Director shall make any data collected by the Director in connection with the conduct of a monthly survey available to the public in a timely manner, provided that the Director may modify the data released to the public to ensure that the data is not released in an identifiable form.

''(4) DEFINITION.—For purposes of this subsection, the term 'identifiable form' means any representation of information that permits the identity of a borrower to which the information relates to be reasonably inferred by either direct or indirect means.''.

(b) STANDARDS FOR SUBPRIME LOANS.—The Director shall, not later than one year after the effective date under section 185, by regulations issued under section 1316G of the Housing and Community Development Act of 1992, establish standards by which mortgages purchased and mortgages purchased and securitized shall be characterized as subprime for the purpose of, and only for the purpose of, complying with the reporting requirement under section 1324(b)(9) of such Act.

SEC. 135. ANNUAL REPORTS BY REGULATED ENTITIES ON AFFORDABLE HOUSING STOCK.

The Housing and Community Development Act of 1992 is amended by inserting after section 1328 (12 U.S.C. 4548) the following new section:

''SEC. 1329. ANNUAL REPORTS ON AFFORDABLE HOUSING STOCK.

''(a) IN GENERAL.—To obtain information helpful in applying the formula under section 1337(c)(2) for the affordable housing program under such section and for other appropriate uses, the regulated entities shall conduct, or provide for the conducting of, a study on an annual basis to determine the levels of affordable housing inventory, and the changes in such levels, in communities throughout the United States.

''(b) CONTENTS.—The annual study under this section shall determine, for the United States, each State, and each community within each State—

''(1) the level of affordable housing inventory, including affordable rental dwelling units and affordable homeownership dwelling units;

''(2) any changes to the level of such inventory during the 12-month period of the study under this section, including—

''(A) any additions to such inventory, disaggregated by the category of such additions (including new construction or housing conversion);

''(B) any subtractions from such inventory, disaggregated by the category of such subtractions (including abandonment, demolition, or upgrade to market-rate housing);

''(C) the number of new affordable dwelling units placed in service; and

''(D) the number of affordable housing dwelling units withdrawn from service;

''(3) the types of financing used to build any dwelling units added to such inventory level and the period during which such units are required to remain affordable;

''(4) any excess demand for affordable housing, including the number of households on rental housing waiting lists and the tenure of the wait on such lists; and

''(5) such other information as the Director may require.

''(c) REPORT.—For each annual study conducted pursuant to this section, the regulated entities shall submit to the Congress, and make publicly available, a report setting forth the findings of the study.

''(d) REGULATIONS AND TIMING.—The Director shall, by regulation, establish requirements for the studies and reports under this section, including deadlines for the submission of such annual reports and standards for determining affordable housing.''.

SEC. 136. REVISION OF HOUSING GOALS.

(a) HOUSING GOALS.—The Housing and Community Development Act of 1992 is amended by striking sections 1331 through 1334 (12 U.S.C. 4561–4) and inserting the following new sections:

"SEC. 1331. ESTABLISHMENT OF HOUSING GOALS.

''(a) IN GENERAL.—The Director shall establish, effective for the first year that begins after the effective date under section 185 of the Federal Housing Finance Reform Act of 2007 and each year thereafter, annual housing goals, with respect to the mortgage purchases by the enterprises, as follows:

''(1) SINGLE FAMILY HOUSING GOALS.—Three single-family housing goals under section 1332.

''(2) MULTIFAMILY SPECIAL AFFORDABLE HOUSING GOALS.—A multifamily special affordable housing goal under section 1333.

''(b) ELIMINATING INTEREST RATE DISPARITIES.—

''(1) IN GENERAL.—Upon request by the Director, an enterprise shall provide to the Director, in a form determined by the Director, data the Director may review to determine whether there exist disparities in interest rates charged on mortgages to borrowers who are minorities as compared with comparable mortgages to borrowers of similar creditworthiness who are not minorities.

''(2) REMEDIAL ACTIONS UPON PRELIMINARY FINDING.—Upon a preliminary finding by the Director that a pattern of disparities in interest rates with respect to any lender or lenders exists pursuant to the data provided by an enterprise in paragraph (1), the Director shall—

''(A) refer the preliminary finding to the appropriate regulatory or enforcement agency for further review;

''(B) require the enterprise to submit additional data with respect to any lender or lenders, as appropriate and to the extent practicable, to the Director who shall submit any such additional data to the regulatory or enforcement agency for appropriate action; and

''(C) require the enterprise to undertake remedial actions, as appropriate, pursuant to section 1325(5) (12 U.S.C. 4545(5)).

''(3) ANNUAL REPORT TO CONGRESS.—The Director shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report describing the actions taken, and being taken, by the Director to carry out this subsection. No such report shall identify any lender or lenders who have not been found to have engaged in discriminatory lending practices pursuant to a final adjudication on the record, and after opportunity for an administrative hearing, in accordance with subchapter II of chapter 5 of title 5, United States Code.

''(4) PROTECTION OF IDENTITY OF INDIVIDUALS.—In carrying out this subsection, the Director shall ensure that no property-related or financial information that would enable a borrower to be identified shall be made public.

''(c) TIMING.—The Director shall establish an annual deadline by which the Director shall establish the annual housing goals under this subpart for each year, taking into consideration the need for the enterprises to reasonably and sufficiently plan their operations and activities in advance, including operations and activities necessary to meet such annual goals.

"SEC. 1332. SINGLE-FAMILY HOUSING GOALS.

''(a) IN GENERAL.—The Director shall establish annual goals for the purchase by each enterprise of conventional, conforming, single-family, purchase money mortgages financing owner-occupied and rental housing for each of the following categories of families:

''(1) Low-income families.

''(2) Families that reside in low-income areas.

''(3) Very low-income families.

''(b) REFINANCE SUBGOAL.—

''(1) IN GENERAL.—The Director shall establish a separate subgoal within each goal under subsection (a)(1) for the purchase by each enterprise of mortgages for low-income families on single family housing given to pay off or prepay an existing loan secured by the same property. The Director shall, for each year, determine whether each enterprise has complied with the subgoal under this subsection in the same manner provided under this section for determining compliance with the housing goals.

''(2) ENFORCEMENT.—For purposes of section 1336, the subgoal established under paragraph (1) of this subsection shall be considered to be a housing goal established under this section. Such subgoal shall not be enforceable under any other provision of this title (including subpart C of this part) other than section 1336 or under any provision of the Federal National Mortgage Association Charter Act or the Federal Home Loan Mortgage Corporation Act.

''(c) DETERMINATION OF COMPLIANCE.—The Director shall determine, for each year that the housing goals under this section are in effect pursuant to section 1331(a), whether each enterprise has complied with the single-family housing goals established under this section for such year. An enterprise shall be considered to be in compliance with such a goal for a year only if, for each of the types of families described in subsection (a), the percentage of the number of conventional, conforming, single-family, owner-occupied or rental, as applicable, purchase money mortgages purchased by each enterprise in such year that serve such families, meets or exceeds the target for the year for such type of family that is established under subsection (d).

''(d) ANNUAL TARGETS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), for each of the types of families described in subsection (a), the target under this subsection for a year shall be the average percentage, for the three years that most recently precede such year and for which information under the Home Mortgage Disclosure Act of 1975 is publicly available, of the number of conventional, conforming, single-family, owner-occupied or rental, as applicable, purchase money mortgages originated in such year that serves such type of family, as determined by the Director using the information obtained and determined pursuant to paragraphs (3) and (4).

''(2) AUTHORITY TO INCREASE TARGETS.—

''(A) IN GENERAL.—The Director may, for any year, establish by regulation, for any or all of the types of families described in subsection (a), percentage targets that are higher than the percentages for such year determined pursuant to paragraph (1), to reflect expected changes in market performance related to such information under the Home Mortgage Disclosure Act of 1975.

''(B) FACTORS.—In establishing any targets pursuant to subparagraph (A), the Director shall consider the following factors:

''(i) National housing needs.

''(ii) Economic, housing, and demographic conditions.

''(iii) The performance and effort of the enterprises toward achieving the housing goals under this section in previous years.

''(iv) The size of the conventional mortgage market serving each of the types of families described in subsection (a) relative to the size of the overall conventional mortgage market.

''(v) The ability of the enterprise to lead the industry in making mortgage credit available.

''(vi) The need to maintain the sound financial condition of the enterprises.

''(3) HMDA INFORMATION.—The Director shall annually obtain information submitted in compliance with the Home Mortgage Disclosure Act of 1975 regarding conventional, conforming, single-family, owner-occupied or rental, as applicable, purchase money mortgages originated and purchased for the previous year.

''(4) CONFORMING MORTGAGES.—In determining whether a mortgage is a conforming mortgage for purposes of this paragraph, the Director shall consider the original principal balance of the mortgage loan to be the principal balance as reported in the information referred to in paragraph (3), as rounded to the nearest thousand dollars.

''(e) NOTICE OF DETERMINATION AND ENTERPRISE COMMENT.—

''(1) NOTICE.—Within 30 days of making a determination under subsection (c) regarding a compliance of an enterprise for a year with a housing goal established under this section and before any public disclosure thereof, the Director shall provide notice of the determination to the enterprise, which shall include an analysis and comparison, by the Director, of the performance of the enterprise for the year and the targets for the year under subsection (d).

''(2) COMMENT PERIOD.—The Director shall provide each enterprise an opportunity to comment on the determination during the 30-day period beginning upon receipt by the enterprise of the notice.

''(f) USE OF BORROWER INCOME.—In monitoring the performance of each enterprise pursuant to the housing goals under this section and evaluating such performance (for purposes of section 1336), the Director shall consider a mortgagor's income to be such income at the time of origination of the mortgage.

''(g) CONSIDERATION OF UNITS IN SINGLE-FAMILY RENTAL HOUSING.—In establishing any goal under this subpart, the Director may take into consideration the number of housing units financed by any mortgage on single-family rental housing purchased by an enterprise

"SEC. 1333. MULTIFAMILY SPECIAL AFFORDABLE HOUSING GOAL.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—The Director shall establish, by regulation, an annual goal for the purchase by each enterprise of each of the following types of mortgages on multifamily housing:

''(A) Mortgages that finance dwelling units for low-income families.

''(B) Mortgages that finance dwelling units for very low-income families.

''(C) Mortgages that finance dwelling units assisted by the low-income housing tax credit under section 42 of the Internal Revenue Code of 1986.

''(2) ADDITIONAL REQUIREMENTS FOR SMALLER PROJECTS.—The Director shall establish, within the goal under this section, additional requirements for the purchase by each enterprise of mortgages described in paragraph (1) for multifamily housing projects of a smaller or limited size, which may be based on the number of dwelling units in the project or the amount of the mortgage, or both, and shall include multifamily housing projects of such smaller sizes as are typical among such projects that serve rural areas.

''(3) FACTORS.—In establishing the goal under this section relating to mortgages on multifamily housing for an enterprise for a year, the Director shall consider—

''(A) national multifamily mortgage credit needs;

''(B) the performance and effort of the enterprise in making mortgage credit available for multifamily housing in previous years;

''(C) the size of the multifamily mortgage market;

''(D) the ability of the enterprise to lead the industry in making mortgage credit available, especially for underserved markets, such as for small multifamily projects of 5 to 50 units, multifamily properties in need of rehabilitation, and multifamily properties located in rural areas; and

''(E) the need to maintain the sound financial condition of the enterprise.

''(b) UNITS FINANCED BY HOUSING FINANCE AGENCY BONDS.—The Director shall give credit toward the achievement of the multifamily special affordable housing goal under this section (for purposes of section 1336) to dwelling units in multifamily housing that otherwise qualifies

under such goal and that is financed by tax-exempt or taxable bonds issued by a State or local housing finance agency, but only if such bonds—

''(1) are secured by a guarantee of the enterprise; or

''(2) are not investment grade and are purchased by the enterprise.

''(c) USE OF TENANT INCOME OR RENT.—The Director shall monitor the performance of each enterprise in meeting the goals established under this section and shall evaluate such performance (for purposes of section 1336) based on—

''(1) the income of the prospective or actual tenants of the property, where such data are available; or

''(2) where the data referred to in paragraph (1) are not available, rent levels affordable to low-income and very low-income families.

A rent level shall be considered to be affordable for purposes of this subsection for an income category referred to in this subsection if it does not exceed 30 percent of the maximum income level of such income category, with appropriate adjustments for unit size as measured by the number of bedrooms.

''(d) DETERMINATION OF COMPLIANCE.—The Director shall, for each year that the housing goal under this section is in effect pursuant to section 1331(a), determine whether each enterprise has complied with such goal and the additional requirements under subsection (a)(2).

''SEC. 1334. DISCRETIONARY ADJUSTMENT OF HOUSING GOALS.

''(a) AUTHORITY.—An enterprise may petition the Director in writing at any time during a year to reduce the level of any goal for such year established pursuant to this subpart.

''(b) STANDARD FOR REDUCTION.—The Director may reduce the level for a goal pursuant to such a petition only if—

''(1) market and economic conditions or the financial condition of the enterprise require such action; or

''(2) efforts to meet the goal would result in the constraint of liquidity, over-investment in certain market segments, or other consequences contrary to the intent of this subpart, or section 301(3) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1716(3)) or section 301(3) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 note), as applicable.

''(c) DETERMINATION.—The Director shall make a determination regarding any proposed reduction within 30 days of receipt of the petition regarding the reduction. The Director may extend such period for a single additional 15-day period, but only if the Director requests additional information from the enterprise. A denial by the Director to reduce the level of any goal under this section may be appealed to the United States District Court for the District of Columbia or the United States district court in the jurisdiction in which the headquarters of an enterprise is located.''.

(b) CONFORMING AMENDMENTS.—The Housing and Community Development Act of 1992 is amended—

(1) in section 1335(a) (12 U.S.C. 4565(a)), in the matter preceding paragraph (1), by striking ''low- and moderate-income housing goal'' and all that follows through ''section 1334'' and inserting ''housing goals established under this subpart''; and

(2) in section 1336(a)(1) (12 U.S.C. 4566(a)(1)), by striking ''sections 1332, 1333, and 1334,'' and inserting ''this subpart''.

(c) DEFINITIONS.—Section 1303 of the Housing and Community Development Act of 1992 (12 U.S.C. 4502), as amended by the preceding provisions of this Act, is further amended—

(1) in paragraph (22) (relating to the definition of ''very low-income''), by striking ''60 percent'' each place such term appears and inserting ''50 percent'';

(2) by redesignating paragraphs (19) through (22) as paragraphs (23) through (26), respectively;

(3) by inserting after paragraph (18) the following new paragraph:

''(22) RURAL AREA.—The term 'rural area' has the meaning given such term in section 520 of the Housing Act of 1949 (42 U.S.C. 1490), except that such term includes micropolitan areas and tribal trust lands.''.

(4) by redesignating paragraphs (13) through (18) as paragraphs (16) through (21), respectively;

(5) by inserting after paragraph (12) the following new paragraph:

''(15) LOW-INCOME AREA.—The term 'low income area' means a census tract or block numbering area in which the median income does not exceed 80 percent of the median income for the area in which such census tract or block numbering area is located, and, for the purposes of section 1332(a)(2), shall include families having incomes not greater than 100 percent of the area median income who reside in minority census tracts.'';

(6) by redesignating paragraphs (11) and (12) as paragraphs (13) and (14), respectively;

(7) by inserting after paragraph (10) the following new paragraph:

''(12) EXTREMELY LOW-INCOME.—The term 'extremely low-income' means—

''(A) in the case of owner-occupied units, income not in excess of 30 percent of the area median income; and

''(B) in the case of rental units, income not in excess of 30 percent of the area median income, with adjustments for smaller and larger families, as determined by the Secretary.'';

(8) by redesignating paragraphs (7) through (10) as paragraphs (8) through (11), respectively; and

(9) by inserting after paragraph (6) the following new paragraph:

''(7) CONFORMING MORTGAGE.—The term 'conforming mortgage' means, with respect to an enterprise, a conventional mortgage having an original principal obligation that does not exceed the dollar limitation, in effect at the time of such origination, under, as applicable—

''(A) section 302(b)(2) of the Federal National Mortgage Association Charter Act; or

''(B) section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act.''.

SEC. 137. DUTY TO SERVE UNDERSERVED MARKETS.

(a) ESTABLISHMENT AND EVALUATION OF PERFORMANCE.—Section 1335 of the Housing and Community Development Act of 1992 (12 U.S.C. 4565) is amended—

*(1) in the section heading, by inserting ''**DUTY TO SERVE UNDERSERVED MARKETS AND**'' before ''**OTHER**'';*

(2) by striking subsection (b);

(3) in subsection (a)—

(A) in the matter preceding paragraph (1), by inserting ''and to carry out the duty under subsection (a) of this section'' before '', each enterprise shall'';

(B) in paragraph (3), by inserting ''and'' after the semicolon at the end;

(C) in paragraph (4), by striking ''; and'' and inserting a period;

(D) by striking paragraph (5); and

(E) by redesignating such subsection as subsection (b);

(4) by inserting before subsection (b) (as so redesignated by paragraph (3)(E) of this subsection) the following new subsection:

''(a) DUTY TO SERVE UNDERSERVED MARKETS.—

''(1) DUTY.—In accordance with the purpose of the enterprises under section 301(3) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1716) and section 301(b)(3) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 note) to undertake activities relating to mortgages on housing for very low-, low-, and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities, each enterprise shall have the duty to increase the liquidity of mortgage investments and improve the distribution of investment capital available for mortgage financing for underserved markets.

''(2) UNDERSERVED MARKETS.—To meet its duty under paragraph (1), each enterprise shall comply with the following requirements with respect to the following underserved markets:

''(A) MANUFACTURED HOUSING.—The enterprise shall lead the industry in developing loan products and flexible underwriting guidelines to facilitate a secondary market for mortgages on manufactured homes for very low-, low-, and moderate-income families.

''(B) AFFORDABLE HOUSING PRESERVATION.—The enterprise shall lead the industry in developing loan products and flexible underwriting guidelines to facilitate a secondary market to preserve housing affordable to very low-, low-, and moderate-income families, including housing projects subsidized under—

''(i) the project-based and tenant-based rental assistance programs under section 8 of the United States Housing Act of 1937;

''(ii) the program under section 236 of the National Housing Act;

''(iii) the below-market interest rate mortgage program under section 221(d)(4) of the National Housing Act;

''(iv) the supportive housing for the elderly program under section 202 of the Housing Act of 1959;

''(v) the supportive housing program for persons with disabilities under section 811 of the Cranston-Gonzalez National Affordable Housing Act;

''(vi) the programs under title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11361 et seq.), but only permanent supportive housing projects subsidized under such programs; and

''(vii) the rural rental housing program under section 515 of the Housing Act of 1949.

''(C) RURAL AND OTHER UNDERSERVED MARKETS.—The enterprise shall lead the industry in developing loan products and flexible underwriting guidelines to facilitate a secondary market for mortgages on housing for very low-, low-, and moderate-income families in rural areas, and for mortgages for housing for any other underserved market for very low-, low-, and moderate-income families that the Secretary identifies as lacking adequate credit through conventional lending sources. Such underserved markets may be identified by borrower type, market segment, or geographic area.''; and

(5) by adding at the end the following new subsection:

''(c) EVALUATION AND REPORTING OF COMPLIANCE.—

''(1) IN GENERAL.—Not later than 6 months after the effective date under section 185 of the Federal Housing Finance Reform Act of 2007, the Director shall establish a manner for evaluating whether, and the extent to which, the enterprises have complied with the duty under subsection (a) to serve underserved markets and for rating the extent of such compliance. Using such method, the Director shall, for each year, evaluate such compliance and rate the performance of each enterprise as to extent of compliance. The Director shall include such evaluation and rating for each enterprise for a year in the report for that year submitted pursuant to section 1319B(a).

''(2) SEPARATE EVALUATIONS.—In determining whether an enterprise has complied with the duty referred to in paragraph (1), the Director shall separately evaluate whether the enterprise has complied with such duty with respect to each of the underserved markets identified in subsection (a), taking into consideration—

''(A) the development of loan products and more flexible underwriting guidelines;

''(B) the extent of outreach to qualified loan sellers in each of such underserved markets; and

''(C) the volume of loans purchased in each of such underserved markets.

''(3) MANUFACTURED HOUSING MARKET.—In determining whether an enterprise has complied with the duty under subparagraph (A) of subsection (a)(2), the Director may consider loans secured by both real and personal property.''.

(b) ENFORCEMENT.—Subsection (a) of section 1336 of the Housing and Community Development Act of 1992 (12 U.S.C. 4566(a)) is amended—

(1) in paragraph (1), by inserting ''and with the duty under section 1335(a) of each enterprise with respect to underserved markets,'' before ''as provided in this section''; and

(2) by adding at the end of such subsection, as amended by the preceding provisions of this title, the following new paragraph:

''(4) ENFORCEMENT OF DUTY TO PROVIDE MORTGAGE CREDIT TO UNDERSERVED MARKETS.—The duty under section 1335(a) of each enterprise to serve underserved markets (as determined in accordance with section 1335(c)) shall be enforceable under this section to the same extent and under the same provisions that the housing goals established under this subpart are enforceable. Such duty shall not be enforceable under any other provision of this title (including subpart C of this part) other than this section or under any provision of the Federal National Mortgage Association Charter Act or the Federal Home Loan Mortgage Corporation Act.''.

SEC. 138. MONITORING AND ENFORCING COMPLIANCE WITH HOUSING GOALS.

(a) ADDITIONAL CREDIT FOR CERTAIN MORTGAGES.—Section 1336(a) of the Housing and Community Development Act of 1992 (12 U.S.C. 4566(a)) is amended—

(1) in paragraph (2), by inserting '', except as provided in paragraph (4),'' after ''which''; and

(2) by adding at the end the following new paragraph:

''(5) ADDITIONAL CREDIT.—The Director shall assign more than 125 percent credit toward achievement, under this section, of the housing goals for mortgage purchase activities of the enterprises that comply with the requirements of such goals and support—

''(A) housing that meets energy efficiency or other environmental standards that are established by a Federal, State, or local governmental authority with respect to the geographic area where the housing is located or are otherwise widely recognized; or

''(B) housing that includes a licensed childcare center.

The availability of additional credit under this paragraph shall not be used to increase any housing goal, subgoal, or target established under this subpart.''.

(b) MONITORING AND ENFORCEMENT.—Section 1336 of the Housing and Community Development Act of 1992 (12 U.S.C. 4566) is amended—

(1) in subsection (b)—

(A) in the subsection heading, by inserting ''PRELIMINARY'' before ''DETERMINATION'';

(B) by striking paragraph (1) and inserting the following new paragraph:

''(1) NOTICE.—If the Director preliminarily determines that an enterprise has failed, or that there is a substantial probability that an enterprise will fail, to meet any housing goal established under this subpart, the Director shall provide written notice to the enterprise of such a preliminary determination, the reasons for such determination, and the information on which the Director based the determination.'';

(C) in paragraph (2)—

(i) in subparagraph (A), by inserting ''finally'' before ''determining'';

(ii) by striking subparagraphs (B) and (C) and inserting the following new subparagraph:

''(B) EXTENSION OR SHORTENING OF PERIOD.—The Director may—

''(i) extend the period under subparagraph (A) for good cause for not more than 30 additional days; and

''(ii) shorten the period under subparagraph (A) for good cause.''; and

(iii) by redesignating subparagraph (D) as subparagraph (C); and

(D) in paragraph (3)—

(i) in subparagraph (A), by striking ''determine'' and inserting ''issue a final determination of'';

(ii) in subparagraph (B), by inserting ''final'' before ''determinations''; and

(iii) in subparagraph (C)—

(I) by striking ''Committee on Banking, Finance and Urban Affairs'' and inserting ''Committee on Financial Services''; and

(II) by inserting ''final'' before ''determination'' each place such term appears; and

(2) in subsection (c)—

(A) by striking the subsection designation and heading and all that follows through the end of paragraph (1) and inserting the following:

''(c) CEASE AND DESIST ORDERS, CIVIL MONEY PENALTIES, AND REMEDIES INCLUDING HOUSING PLANS.—

''(1) REQUIREMENT.—If the Director finds, pursuant to subsection (b), that there is a substantial probability that an enterprise will fail, or has actually failed, to meet any housing goal under this subpart and that the achievement of the housing goal was or is feasible, the Director may require that the enterprise submit a housing plan under this subsection. If the Director makes such a finding and the enterprise refuses to submit such a plan, submits an unacceptable plan, fails to comply with the plan or the Director finds that the enterprise has failed to meet any housing goal under this subpart, in addition to requiring an enterprise to submit a housing plan, the Director may issue a cease and desist order in accordance with section 1341, impose civil money penalties in accordance with section 1345, or order other remedies as set forth in paragraph (7) of this subsection.'';

(B) in paragraph (2)—

(i) by striking ''CONTENTS.—Each housing plan'' and inserting ''HOUSING PLAN.—If the Director requires a housing plan under this section, such a plan''; and

(ii) in subparagraph (B), by inserting ''and changes in its operations'' after ''improvements'';

(C) in paragraph (3)—

(i) by inserting ''comply with any remedial action or'' before ''submit a housing plan''; and

(ii) by striking ''under subsection (b)(3) that a housing plan is required'';

(D) in paragraph (4), by striking the first two sentences and inserting the following: ''The Director shall review each submission by an enterprise, including a housing plan submitted under this subsection, and not later than 30 days after submission, approve or disapprove the plan or other action. The Director may extend the period for approval or disapproval for a single additional 30-day period if the Director determines such extension necessary.''; and

(E) by adding at the end the following new paragraph:

''(7) ADDITIONAL REMEDIES FOR FAILURE TO MEET GOALS.—In addition to ordering a housing plan under this section, issuing cease and desist orders under section 1341, and ordering civil money penalties under section 1345, the Director may seek other actions when an enterprise fails to meet a goal, and exercise appropriate enforcement authority available to the Director under this Act to prohibit the enterprise from initially offering any product (as such term is defined in section 1321(f)) or engaging in any new activities, services, undertakings, and offerings and to order the enterprise to suspend products and activities, services, undertakings, and offerings pending its achievement of the goal.''.

SEC. 139. AFFORDABLE HOUSING FUND.

(a) IN GENERAL.—The Housing and Community Development Act of 1992 is amended by striking sections 1337 and 1338 (12 U.S.C. 4562 note) and inserting the following new section:

''SEC. 1337. AFFORDABLE HOUSING FUND.

''(a) ESTABLISHMENT AND PURPOSE.—The Director, in consultation with the Secretary of Housing and Urban Development, shall establish and manage an affordable housing fund in accordance with this section, which shall be funded with amounts allocated by the enterprises under subsection (b). The purpose of the affordable housing fund shall be to provide formula grants to grantees for use—

''(1) to increase homeownership for extremely low-and very low-income families;

''(2) to increase investment in housing in low-income areas, and areas designated as qualified census tracts or an area of chronic economic distress pursuant to section 143(j) of the Internal Revenue Code of 1986 (26 U.S.C. 143(j));

''(3) to increase and preserve the supply of rental and owner-occupied housing for extremely low- and very low-income families;

''(4) to increase investment in public infrastructure development in connection with housing assisted under this section; and

''(5) to leverage investments from other sources in affordable housing and in public infrastructure development in connection with housing assisted under this section.

''(b) ALLOCATION OF AMOUNTS BY ENTERPRISES.—

''(1) IN GENERAL.—In accordance with regulations issued by the Director under subsection (m) and subject to paragraph (2) of this subsection and subsection (i)(5), each enterprise shall allocate to the affordable housing fund established under subsection (a), in each of the years 2007 through 2011, an amount equal to 1.2 basis points for each dollar of the average total mortgage portfolio of the enterprise during the preceding year.

''(2) SUSPENSION OF CONTRIBUTIONS.—The Director shall temporarily suspend the allocation under paragraph (1) by an enterprise to the affordable housing fund upon a finding by the Director that such allocations—

''(A) are contributing, or would contribute, to the financial instability of the enterprise;

''(B) are causing, or would cause, the enterprise to be classified as undercapitalized; or

''(C) are preventing, or would prevent, the enterprise from successfully completing a capital restoration plan under section 1369C.

''(3) 5-YEAR SUNSET AND REPORT.—

''(A) SUNSET.—The enterprises shall not be required to make allocations to the affordable housing fund in 2012 or in any year thereafter.

''(B) REPORT ON PROGRAM CONTINUANCE.—Not later than June 30, 2011, the Director shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report making recommendations on whether the program under this section, including the requirement for the enterprises to make allocations to the affordable housing fund, should be extended and on any modifications for the program.

''(c) AFFORDABLE HOUSING NEEDS FORMULAS.—

''(1) ALLOCATION FOR 2007.—

''(A) ALLOCATION PERCENTAGES FOR LOUISIANA AND MISSISSIPPI.—For purposes of subsection (d)(1)(A), the allocation percentages for 2007 for the grantees under this section for such year shall be as follows:

''(i) The allocation percentage for the Louisiana Housing Finance Agency shall be 75 percent.

''(ii) The allocation percentage for the Mississippi Development Authority shall be 25 percent.

''(B) USE IN DISASTER AREAS.—Affordable housing grant amounts for 2007 shall be used only as provided in subsection (g) only for such eligible activities in areas that were subject to a declaration by the President of a major disaster or emergency under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) in connection with Hurricane Katrina or Rita of 2005.

''(2) ALLOCATION FORMULA FOR OTHER YEARS.—The Secretary of Housing and Urban Development shall, by regulation, establish a formula to allocate, among the States (as such term is defined in section 1303) and federally recognized Indian tribes, the amounts provided by the enterprises in each year referred to subsection (b)(1), other than 2007, to the affordable housing fund established under this section. The formula shall be based on the following factors, with respect to each State and tribe:

''(A) The ratio of the population of the State or federally recognized Indian tribe to the aggregate population of all the States and tribes.

''(B) The percentage of families in the State or federally recognized Indian tribe that pay more than 50 percent of their annual income for housing costs.

''(C) The percentage of persons in the State or federally recognized Indian tribe that are members of extremely low- or very low-income families.

''(D) The cost of developing or carrying out rehabilitation of housing in the State or for the federally recognized Indian tribe.

''(E) The percentage of families in the State or federally recognized Indian tribe that live in substandard housing.

''(F) The percentage of housing stock in the State or for the federally recognized Indian tribe that is extremely old housing.

''(G) Any other factors that the Secretary determines to be appropriate.

''(3) FAILURE TO ESTABLISH.—If, in any year referred to in subsection (b)(1), other than 2007, the regulations establishing the formula required under paragraph (2) of this subsection have not been issued by the date that the Director determines the amounts described in subsection (d)(1) to be available for affordable housing fund grants in such year, for purposes of such year any amounts for a State (as such term is defined in section 1303 of this Act) that would otherwise be determined under subsection (d) by applying the formula established pursuant to paragraph (2) of this subsection shall be determined instead by applying, for such State, the percentage that is equal to the percentage of the total amounts made available for such year for allocation under subtitle A of title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12741 et seq.) that are allocated in such year, pursuant to such subtitle, to such State (including any insular area or unit of general local government, as such terms are defined in section 104 of such Act (42 U.S.C. 12704), that is treated as a State under section 1303 of this Act) and to participating jurisdictions and other eligible entities within such State.

''(d) ALLOCATION OF FORMULA AMOUNT; GRANTS.—

''(1) FORMULA AMOUNT.—For each year referred to in subsection (b)(1), the Director shall determine the formula amount under this section for each grantee, which shall be the amount determined for such grantee—

''(A) for 2007, by applying the allocation percentages under subparagraph (A) of subsection (c)(1) to the sum of the total amounts allocated by the enterprises to the affordable housing fund for such year, less any amounts used pursuant to subsection (i)(1); and

''(B) for any other year referred to in subsection (b)(1) (other than 2007), by applying the formula established pursuant to paragraph (2) of subsection (c) to the sum of the total amounts allocated by the enterprises to the affordable housing fund for such year and any recaptured amounts available pursuant to subsection (i)(4), less any amounts used pursuant to subsection (i)(1).

''(2) NOTICE.—In each year referred to in subsection (b)(1), not later than 60 days after the date that the Director determines the amounts described in paragraph (1) to be available for affordable housing fund grants to grantees in such year, the Director shall cause to be published in the Federal Register a notice that such amounts shall be so available.

''(3) GRANT AMOUNT.—

''(A) IN GENERAL.—For each year referred to in subsection (b)(1), the Director shall make a grant from amounts in the affordable housing fund to each grantee in an amount that is, except as provided in subparagraph (B), equal to the formula amount under this section for the grantee. A grantee may designate a State housing finance agency, housing and community development entity, tribally designated housing entity (as such term is defined in section 4 of the Native American Housing Assistance and Self-Determination Act of 1997 (25 U.S.C. 4103)) or other qualified instrumentality of the grantee to receive such grant amounts.

''(B) REDUCTION FOR FAILURE TO OBTAIN RETURN OF MISUSED FUNDS.—If in any year a grantee fails to obtain reimbursement or return of the full amount required under subsection (j)(1)(B) to be reimbursed or returned to the grantee during such year—

''(i) except as provided in clause (ii)—

''(I) the amount of the grant for the grantee for the succeeding year, as determined pursuant to subparagraph (A), shall be reduced by the amount by which such amounts required to be reimbursed or returned exceed the amount actually reimbursed or returned; and

''(II) the amount of the grant for the succeeding year for each other grantee whose grant is not reduced pursuant to subclause (I) shall be increased by the amount determined by applying the formula established pursuant to subsection (c)(2) to the total amount of all reductions for all grantees for such year pursuant to subclause (I); or

''(ii) in any case in which such failure to obtain reimbursement or return occurs during a year immediately preceding a year in which grants under this subsection will not be made, the grantee shall pay to the Director for reallocation among the other grantees an amount equal to the amount of the reduction for the grantee that would otherwise apply under clause (i)(I).

''(e) GRANTEE ALLOCATION PLANS.—

''(1) IN GENERAL.—For each year that a grantee receives affordable housing fund grant amounts, the grantee shall establish an allocation plan in accordance with this subsection, which shall be a plan for the distribution of such grant amounts of the grantee for such year that—

''(A) is based on priority housing needs, as determined by the grantee in accordance with the regulations established under subsection (m)(2)(C);

''(B) complies with subsection (f); and

''(C) includes performance goals, benchmarks, and timetables for the grantee for the production, preservation, and rehabilitation of affordable rental and homeownership housing with such grant amounts that comply with the requirements established by the Director pursuant to subsection (m)(2)(F).

''(2) ESTABLISHMENT.—In establishing an allocation plan, a grantee shall notify the public of the establishment of the plan, provide an opportunity for public comments regarding the plan, consider any public comments received, and make the completed plan available to the public.

''(3) CONTENTS.—An allocation plan of a grantee shall set forth the requirements for eligible recipients under subsection (h) to apply to the grantee to receive assistance from affordable housing fund grant amounts, including a requirement that each such application include—

''(A) a description of the eligible activities to be conducted using such assistance; and

''(B) a certification by the eligible recipient applying for such assistance that any housing units assisted with such assistance will comply with the requirements under this section.

''(f) SELECTION OF ACTIVITIES FUNDED USING AFFORDABLE HOUSING FUND GRANT AMOUNTS.—Affordable housing fund grant amounts of a grantee may be used, or committed for use, only for activities that—

''(1) are eligible under subsection (g) for such use;

''(2) comply with the applicable allocation plan under subsection (e) of the grantee; and

''(3) are selected for funding by the grantee in accordance with the process and criteria for such selection established pursuant to subsection (m)(2)(C).

''(g) ELIGIBLE ACTIVITIES.—Affordable housing fund grant amounts of a grantee shall be eligible for use, or for commitment for use, only for assistance for—

''(1) the production, preservation, and rehabilitation of rental housing, including housing under the programs identified in section 1335(a)(2)(B), except that such grant amounts may be used for the benefit only of extremely low- and very low-income families;

''(2) the production, preservation, and rehabilitation of housing for homeownership, including such forms as downpayment assistance, closing cost assistance, and assistance for interest-rate buy-downs, that—

''(A) is available for purchase only for use as a principal residence by families that qualify both as—

''(i) extremely low- and very-low income families at the times described in subparagraphs (A) through (C) of section 215(b)(2) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745(b)(2)); and

''(ii) first-time homebuyers, as such term is defined in section 104 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704), except that any reference in such section to assistance under title II of such Act shall for purposes of this section be considered to refer to assistance from affordable housing fund grant amounts;

''(B) has an initial purchase price that meets the requirements of section 215(b)(1) of the Cranston-Gonzalez National Affordable Housing Act;

''(C) is subject to the same resale restrictions established under section 215(b)(3) of the Cranston-Gonzalez National Affordable Housing Act and applicable to the participating jurisdiction that is the State in which such housing is located; and

''(D) is made available for purchase only by, or in the case of assistance under this paragraph, is made available only to, homebuyers who have, before purchase, completed a program of counseling with respect to the responsibilities and financial management involved in homeownership that is approved by the Director; and

''(3) public infrastructure development activities in connection with housing activities funded under paragraph (1) or (2).

''(h) ELIGIBLE RECIPIENTS.—Affordable housing fund grant amounts of a grantee may be provided only to a recipient that is an organization, agency, or other entity (including a for-profit entity, a nonprofit entity, and a faith-based organization) that—

''(1) has demonstrated experience and capacity to conduct an eligible activity under (g), as evidenced by its ability to—

''(A) own, construct or rehabilitate, manage, and operate an affordable multifamily rental housing development;

''(B) design, construct or rehabilitate, and market affordable housing for homeownership;

''(C) provide forms of assistance, such as downpayments, closing costs, or interest-rate buy-downs, for purchasers; or

''(D) construct related public infrastructure development activities in connection with such housing activities;

''(2) demonstrates the ability and financial capacity to undertake, comply, and manage the eligible activity;

''(3) demonstrates its familiarly with the requirements of any other Federal, State or local housing program that will be used in conjunction with such grant amounts to ensure compliance with all applicable requirements and regulations of such programs; and

''(4) makes such assurances to the grantee as the Director shall, by regulation, require to ensure that the recipient will comply with the requirements of this section during the entire period that begins upon selection of the recipient to receive such grant amounts and ending upon the conclusion of all activities under subsection (g) that are engaged in by the recipient and funded with such grant amounts.

''(i) LIMITATIONS ON USE.—

''(1) REQUIRED AMOUNT FOR REFCORP.—Of the aggregate amount allocated pursuant to subsection (b) in each year to the affordable housing fund, 25 percent shall be used as provided in section 21B(f)(2)(E) of the Federal Home Loan Bank Act (12 U.S.C. 1441b(f)(2)(E)).

''(2) REQUIRED AMOUNT FOR HOMEOWNERSHIP ACTIVITIES.—Of the aggregate amount of affordable housing fund grant amounts provided in each year to a grantee, not less than 10 percent shall be used for activities under paragraph (2) of subsection (g).

''(3) MAXIMUM AMOUNT FOR PUBLIC INFRASTRUCTURE DEVELOPMENT ACTIVITIES IN CONNECTION WITH AFFORDABLE HOUSING ACTIVITIES.—Of the aggregate amount of affordable housing fund grant amounts provided in each year to a grantee, not more than 12.5 percent may be used for activities under paragraph (3) of subsection (g).

''(4) DEADLINE FOR COMMITMENT OR USE.—Any affordable housing fund grant amounts of a grantee shall be used or committed for use within two years of the date of that such grant amounts are made available to the grantee. The Director shall recapture into the affordable housing fund any such amounts not so used or committed for use and allocate such amounts under subsection (d)(1) in the first year after such recapture.

''(5) USE OF RETURNS.—The Director shall, by regulation provide that any return on a loan or other investment of any affordable housing fund grant amounts of a grantee shall be treated, for purposes of availability to and use by the grantee, as affordable housing fund grant amounts.

''(6) PROHIBITED USES.—The Director shall—

''(A) by regulation, set forth prohibited uses of affordable housing fund grant amounts, which shall include use for—

''(i) political activities;

''(ii) advocacy;

''(iii) lobbying, whether directly or through other parties;

''(iv) counseling services;

''(v) travel expenses; and

''(vi) preparing or providing advice on tax returns;

''(B) by regulation, provide that, except as provided in subparagraph (C), affordable housing fund grant amounts of a grantee may not be used for administrative, outreach, or other costs of—

''(i) the grantee; or

''(ii) any recipient of such grant amounts; and

''(C) by regulation, limit the amount of any affordable housing fund grant amounts of the grantee for a year that may be used for administrative costs of the grantee of carrying out the program required under this section to a percentage of such grant amounts of the grantee for such year, which may not exceed 10 percent.

''(7) PROHIBITION OF CONSIDERATION OF USE FOR MEETING HOUSING GOALS OR DUTY TO SERVE.—In determining compliance with the housing goals under this subpart and the duty to serve underserved markets under section 1335, the Director may not consider any affordable housing fund grant amounts used under this section for eligible activities under subsection (g). The Director shall give credit toward the achievement of such housing goals and such duty to serve underserved markets to purchases by the enterprises of mortgages for housing that receives funding from affordable housing fund grant amounts, but only to the extent that such purchases by the enterprises are funded other than with such grant amounts.

''(j) ACCOUNTABILITY OF RECIPIENTS AND GRANTEES.—

''(1) RECIPIENTS.—

''(A) TRACKING OF FUNDS.—The Director shall—

''(i) require each grantee to develop and maintain a system to ensure that each recipient of assistance from affordable housing fund grant amounts of the grantee uses such amounts in accordance with this section, the regulations issued under this section, and any requirements or conditions under which such amounts were provided; and—

''(ii) establish minimum requirements for agreements, between the grantee and recipients, regarding assistance from the affordable housing fund grant amounts of the grantee, which shall include—

''(I) appropriate continuing financial and project reporting, record retention, and audit requirements for the duration of the grant to the recipient to ensure compliance with the limitations and requirements of this section and the regulations under this section; and

''(II) any other requirements that the Director determines are necessary to ensure appropriate grant administration and compliance.

''(B) MISUSE OF FUNDS.—

''(i) REIMBURSEMENT REQUIREMENT.—If any recipient of assistance from affordable housing fund grant amounts of a grantee is determined, in accordance with clause (ii), to have used any such amounts in a manner that is materially in violation of this section, the regulations issued under this section, or any requirements or conditions under which such amounts were provided, the grantee shall require that, within 12 months after the determination of such misuse, the recipient shall reimburse the grantee for such misused amounts and return to the grantee any amounts from the affordable housing fund grant amounts of the grantee that remain unused or uncommitted for use. The remedies under this clause are in addition to any other remedies that may be available under law.

''(ii) DETERMINATION.—A determination is made in accordance with this clause if the determination is—

''(I) made by the Director; or

''(II)(aa) made by the grantee;

''(bb) the grantee provides notification of the determination to the Director for review, in the discretion of the Director, of the determination; and

''(cc) the Director does not subsequently reverse the determination.

''(2) GRANTEES.—

''(A) REPORT.—

''(i) IN GENERAL.—The Director shall require each grantee receiving affordable housing fund grant amounts for a year to submit a report, for such year, to the Director that—

''(I) describes the activities funded under this section during such year with the affordable housing fund grant amounts of the grantee; and

''(II) the manner in which the grantee complied during such year with the allocation plan established pursuant to subsection (e) for the grantee.

''(ii) PUBLIC AVAILABILITY.—The Director shall make such reports pursuant to this subparagraph publicly available.

''(B) MISUSE OF FUNDS.—If the Director determines, after reasonable notice and opportunity for hearing, that a grantee has failed to comply substantially with any provision of this section and until the Director is satisfied that there is no longer any such failure to comply, the Director shall—

''(i) reduce the amount of assistance under this section to the grantee by an amount equal to the amount affordable housing fund grant amounts which were not used in accordance with this section;

''(ii) require the grantee to repay the Director an amount equal to the amount of the amount affordable housing fund grant amounts which were not used in accordance with this section;

''(iii) limit the availability of assistance under this section to the grantee to activities or recipients not affected by such failure to comply; or

''(iv) terminate any assistance under this section to the grantee.

''(k) CAPITAL REQUIREMENTS.—The utilization or commitment of amounts from the affordable housing fund shall not be subject to the risk-based capital requirements established pursuant to section 1361(a).

''(l) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

''(1) AFFORDABLE HOUSING FUND GRANT AMOUNTS.—The term 'affordable housing fund grant amounts' means amounts from the affordable housing fund established under subsection (a) that are provided to a grantee pursuant to subsection (d)(3).

''(2) GRANTEE.—The term 'grantee' means—

''(A) with respect to 2007, the Louisiana Housing Finance Agency and the Mississippi Development Authority; and

''(B) with respect to the years referred to in subsection (b)(1), other than 2007, each State (as such term is defined in section 1303) and each federally recognized Indian tribe.

''(3) RECIPIENT.—The term 'recipient' means an entity meeting the requirements under subsection (h) that receives assistance from a grantee from affordable housing fund grant amounts of the grantee.

''(4) TOTAL MORTGAGE PORTFOLIO.—The term 'total mortgage portfolio' means, with respect to a year, the sum, for all mortgages outstanding during that year in any form, including whole loans, mortgage-backed securities, participation certificates, or other structured securities backed by mortgages, of the dollar amount of the unpaid outstanding principal balances under such mortgages. Such term includes all such mortgages or securitized obligations, whether retained in portfolio, or sold in any form. The Director is authorized to promulgate rules further defining such term as necessary to implement this section and to address market developments.

''(5) VERY-LOW INCOME FAMILY.—The term 'very low-income family' has the meaning given such term in section 1303, except that such term includes any family that resides in a rural area that has an income that does not exceed the poverty line (as such term is defined in section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902(2)), including any revision required by such section) applicable to a family of the size involved.

''(m) REGULATIONS.—

''(1) IN GENERAL.—The Director, in consultation with the Secretary of Housing and Urban Development, shall issue regulations to carry out this section.

''(2) REQUIRED CONTENTS.—The regulations issued under this subsection shall include—

''(A) a requirement that the Director ensure that the program of each grantee for use of affordable housing fund grant amounts of the grantee is audited not less than annually to ensure compliance with this section;

''(B) authority for the Director to audit, provide for an audit, or otherwise verify a grantee's activities, to ensure compliance with this section;

''(C) requirements for a process for application to, and selection by, each grantee for activities meeting the grantee's priority housing needs to be funded with affordable housing fund grant amounts of the grantee, which shall provide for priority in funding to be based upon—

''(i) greatest impact;

''(ii) geographic diversity;

''(iii) ability to obligate amounts and undertake activities so funded in a timely manner;

''(iv) in the case of rental housing projects under subsection (g)(1), the extent to which rents for units in the project funded are affordable, especially for extremely low-income families;

''(v) in the case of rental housing projects under subsection (g)(1), the extent of the duration for which such rents will remain affordable;

''(vi) the extent to which the application makes use of other funding sources; and

''(vii) the merits of an applicant's proposed eligible activity;

''(D) requirements to ensure that amounts provided to a grantee from the affordable housing fund that are used for rental housing under subsection (g)(1) are used only for the benefit of extremely low- and very-low income families;

''(E) limitations on public infrastructure development activities that are eligible pursuant to subsection (g)(3) for funding with affordable housing fund grant amounts and requirements for the connection between such activities and housing activities funded under paragraph (1) or (2) of subsection (g); and

''(F) requirements and standards for establishment, by grantees (including the grantees for 2007 pursuant to subsection (l)(2)(A)), of performance goals, benchmarks, and timetables for the production, preservation, and rehabilitation of affordable rental and homeownership housing with affordable housing fund grant amounts.

''(n) ENFORCEMENT OF REQUIREMENTS ON ENTERPRISE.—Compliance by the enterprises with the requirements under this section shall be enforceable under subpart C. Any reference in such subpart to this part or to an order, rule, or regulation under this part specifically includes this section and any order, rule, or regulation under this section.

''(o) AFFORDABLE HOUSING TRUST FUND.—If, after the enactment of this Act, in any year, there is enacted any provision of Federal law establishing an affordable housing trust fund other than under this title for use only for grants to provide affordable rental housing and affordable homeownership opportunities, and the subsequent year is a year referred to in subsection (b)(1), the Director shall in such subsequent year and any remaining years referred to in subsection (b)(1) transfer to such affordable housing trust fund the aggregate amount allocated pursuant to subsection (b) in such year to the affordable housing fund under this section, less any amounts used pursuant to subsection (i)(1). For such subsequent and remaining years, the provisions of subsections (c) and (d) shall not apply. Nothing in this subsection shall be construed to alter the terms and conditions of the affordable housing fund under this section or to extend the life of such fund.''.

(b) TIMELY ESTABLISHMENT OF AFFORDABLE HOUSING NEEDS FORMULA.—

(1) IN GENERAL.—The Secretary of Housing and Urban Development shall, not later than the effective date under section 185 of this Act, issue the regulations establishing the affordable housing needs formulas in accordance with the provisions of section 1337(c)(2) of the Housing and Community Development Act of 1992, as such section is amended by subsection (a) of this section.

(2) EFFECTIVE DATE.—This subsection shall take effect on the date of the enactment of this Act.

(c) REFCORP PAYMENTS.—Section 21B(f)(2) of the Federal Home Loan Bank Act (12 U.S.C. 1441b(f)(2)) is amended—

(1) in subparagraph (E), by striking ''and (D)'' and inserting ''(D), and (E)'';

(2) by redesignating subparagraph (E) as subparagraph (F); and

(3) by inserting after subparagraph (D) the following new subparagraph:

''(E) PAYMENTS BY FANNIE MAE AND FREDDIE MAC.—To the extent that the amounts available pursuant to subparagraphs (A), (B), (C), and (D) are insufficient to cover the amount of interest payments, each enterprise (as such term is defined in section 1303 of the Housing and Community Development Act of 1992 (42 U.S.C. 4502)) shall transfer to the Funding Corporation in each calendar year the amounts allocated for use under this subparagraph pursuant to section 1337(i)(1) of such Act.''.

(d) GAO REPORT.—The Comptroller General shall conduct a study to determine the effects that the affordable housing fund established under section 1337 of the Housing and Community Development Act of 1992, as added by the amendment made by subsection (a) of this section, will have on the availability and affordability of credit for homebuyers, including the effects on such credit of the requirement under such section 1337(b) that the Federal National Mortgage Association and Federal Home Loan Mortgage Corporation make allocations of amounts to such fund based on the average total mortgage portfolios, and the extent to which the costs of such allocation requirement will be borne by such entities or will be passed on to homebuyers. Not later than the expiration of the 12-month period beginning on the date of the enactment of this Act, the Comptroller General shall submit a report to the Congress setting forth the results and conclusions of such study. This subsection shall take effect on the date of the enactment of this Act.

SEC. 140. CONSISTENCY WITH MISSION.

Subpart B of part 2 of subtitle A of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4561 et seq.) is amended by adding after section 1337, as added by section 139 of this Act, the following new section:

''SEC. 1338. CONSISTENCY WITH MISSION.

''This subpart may not be construed to authorize an enterprise to engage in any program or activity that contravenes or is inconsistent with the Federal National Mortgage Association Charter Act or the Federal Home Loan Mortgage Corporation Act.''.

SEC. 141. ENFORCEMENT.

(a) CEASE-AND-DESIST PROCEEDINGS.—Section 1341 of the Housing and Community Development Act of 1992 (12 U.S.C. 4581) is amended—

(1) by striking subsection (a) and inserting the following new subsection:

''(a) GROUNDS FOR ISSUANCE.—The Director may issue and serve a notice of charges under this section upon an enterprise if the Director determines—

''(1) the enterprise has failed to meet any housing goal established under subpart B, following a written notice and determination of such failure in accordance with section 1336;

''(2) the enterprise has failed to submit a report under section 1314, following a notice of such failure, an opportunity for comment by the enterprise, and a final determination by the Director;

''(3) the enterprise has failed to submit the information required under subsection (m) or (n) of section 309 of the Federal National Mortgage Association Charter Act, or subsection (e) or (f) of section 307 of the Federal Home Loan Mortgage Corporation Act;

''(4) the enterprise has violated any provision of this part or any order, rule or regulation under this part;

''(5) the enterprise has failed to submit a housing plan that complies with section 1336(c) within the applicable period; or

''(6) the enterprise has failed to comply with a housing plan under section 1336(c).'';

(2) in subsection (b)(2), by striking ''requiring the enterprise to'' and all that follows through the end of the paragraph and inserting the following: ''requiring the enterprise to—

''(A) comply with the goal or goals;

''(B) submit a report under section 1314;

''(C) comply with any provision this part or any order, rule or regulation under such part;

''(D) submit a housing plan in compliance with section 1336(c);

''(E) comply with a housing plan submitted under section 1336(c); or

''(F) provide the information required under subsection (m) or (n) of section 309 of the Federal National Mortgage Association Charter Act or subsection (e) or (f) of section 307 of the Federal Home Loan Mortgage Corporation Act, as applicable.'';

(3) in subsection (c), by inserting ''date of the'' before ''service of the order''; and

(4) by striking subsection (d).

(b) AUTHORITY OF DIRECTOR TO ENFORCE NOTICES AND ORDERS.—Section 1344 of the Housing and Community Development Act of 1992 (12 U.S.C. 4584) is amended by striking subsection (a) and inserting the following new subsection:

''(a) ENFORCEMENT.—The Director may, in the discretion of the Director, apply to the United States District Court for the District of Columbia, or the United States district court within the jurisdiction of which the headquarters of the enterprise is located, for the enforcement of any effective and outstanding notice or order issued under section 1341 or 1345, or request that the Attorney General of the United States bring such an action. Such court shall have jurisdiction and power to order and require compliance with such notice or order.''.

(c) CIVIL MONEY PENALTIES.—Section 1345 of the Housing and Community Development Act of 1992 (12 U.S.C. 4585) is amended—

(1) by striking subsections (a) and (b) and inserting the following new subsections:

''(a) AUTHORITY.—The Director may impose a civil money penalty, in accordance with the provisions of this section, on any enterprise that has failed to—

''(1) meet any housing goal established under subpart B, following a written notice and determination of such failure in accordance with section 1336(b);

''(2) submit a report under section 1314, following a notice of such failure, an opportunity for comment by the enterprise, and a final determination by the Director;

''(3) submit the information required under subsection (m) or (n) of section 309 of the Federal National Mortgage Association Charter Act, or subsection (e) or (f) of section 307 of the Federal Home Loan Mortgage Corporation Act;

''(4) comply with any provision of this part or any order, rule or regulation under this part;

''(5) submit a housing plan pursuant to section 1336(c) within the required period; or

''(6) comply with a housing plan for the enterprise under section 1336(c).

''(b) AMOUNT OF PENALTY.—The amount of the penalty, as determined by the Director, may not exceed—

''(1) for any failure described in paragraph (1), (5), or (6) of subsection (a), $50,000 for each day that the failure occurs; and

''(2) for any failure described in paragraph (2), (3), or (4) of subsection (a), $20,000 for each day that the failure occurs.'';

(2) in subsection (c)—

(A) in paragraph (1)—

(i) in subparagraph (A), by inserting ''and'' after the semicolon at the end;

(ii) in subparagraph (B), by striking ''; and'' and inserting a period; and

(iii) by striking subparagraph (C); and

(B) in paragraph (2), by inserting after the period at the end the following: ''In determining the penalty under subsection (a)(1), the Director shall give consideration to the length of time the enterprise should reasonably take to achieve the goal.'';

(3) in the first sentence of subsection (d)—

(A) by striking ''request the Attorney General of the United States to'' and inserting '', in the discretion of the Director,''; and

(B) by inserting '', or request that the Attorney General of the United States bring such an action'' before the period at the end;

(4) by striking subsection (f); and

(5) by redesignating subsection (g) as subsection (f).

(d) ENFORCEMENT OF SUBPOENAS.—Section 1348(c) of the Housing and Community Development Act of 1992 (12 U.S.C. 4588(c)) is amended—

(1) by striking ''request the Attorney General of the United States to'' and inserting '', in the discretion of the Director,''; and

(2) by inserting ''or request that the Attorney General of the United States bring such an action,'' after ''District of Columbia,''

(e) CONFORMING AMENDMENT.—The heading for subpart C of part 2 of subtitle A of title XIII of the Housing and Community Development Act of 1992 is amended to read as follows:

"Subpart C—Enforcement".

SEC. 142. CONFORMING AMENDMENTS.

Part 2 of subtitle A of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4541 et seq.) is amended—

(1) by striking ''Secretary'' each place such term appears in such part and inserting ''Director'';

*(2) in the section heading for section 1323 (12 U.S.C. 4543), by inserting "**OF ENTERPRISES**'' before the period at the end;*

(3) by striking section 1327 (12 U.S.C. 4547);

(4) by striking section 1328 (12 U.S.C. 4548);

(5) by redesignating section 1329 (as amended by section 135) as section 1327;

(6) in sections 1345(c)(1)(A), 1346(a), and 1346(b) (12 U.S.C. 4585(c)(1)(A), 4586(a), and 4586(b)), by striking ''Secretary's'' each place such term appears and inserting ''Director's''; and

(7) by striking section 1349 (12 U.S.C. 4589).

Subtitle C—Prompt Corrective Action

SEC. 151. CAPITAL CLASSIFICATIONS.

(a) IN GENERAL.—Section 1364 of the Housing and Community Development Act of 1992 (12 U.S.C. 4614) is amended—

(1) in the heading for subsection (a), by striking ''IN GENERAL'' and inserting ''ENTERPRISES'';

(2) in subsection (c)—

(A) by striking ''subsection (b)'' and inserting ''subsection (c)'';

(B) by striking ''enterprises'' and inserting ''regulated entities''; and

(C) by striking the last sentence;

(3) by redesignating subsections (c) (as so amended by paragraph (2) of this subsection) and (d) as subsections (d) and (f), respectively;

(4) by striking subsection (b) and inserting the following new subsections:

''(b) FEDERAL HOME LOAN BANKS.—

''(1) ESTABLISHMENT AND CRITERIA.—For purposes of this subtitle, the Director shall, by regulation—

''(A) establish the capital classifications specified under paragraph (2) for the Federal home loan banks;

''(B) establish criteria for each such capital classification based on the amount and types of capital held by a bank and the risk-based, minimum, and critical capital levels for the banks and taking due consideration of the capital classifications established under subsection (a) for the enterprises, with such modifications as the Director determines to be appropriate to reflect the difference in operations between the banks and the enterprises; and

''(C) shall classify the Federal home loan banks according to such capital classifications.

''(2) CLASSIFICATIONS.—The capital classifications specified under this paragraph are—

''(A) adequately capitalized;

''(B) undercapitalized;

''(C) significantly undercapitalized; and

''(D) critically undercapitalized.

''(c) DISCRETIONARY CLASSIFICATION.—

''(1) GROUNDS FOR RECLASSIFICATION.—The Director may reclassify a regulated entity under paragraph (2) if—

''(A) at any time, the Director determines in writing that the regulated entity is engaging in conduct that could result in a rapid depletion of core or total capital or, in the case of an enterprise, that the value of the property subject to mortgages held or securitized by the enterprise has decreased significantly;

''(B) after notice and an opportunity for hearing, the Director determines that the regulated entity is in an unsafe or unsound condition; or

''(C) pursuant to section 1371(b), the Director deems the regulated entity to be engaging in an unsafe or unsound practice.

''(2) RECLASSIFICATION.—In addition to any other action authorized under this title, including the reclassification of a regulated entity for any reason not specified in this subsection, if the Director takes any action described in paragraph (1) the Director may classify a regulated entity—

''(A) as undercapitalized, if the regulated entity is otherwise classified as adequately capitalized;

''(B) as significantly undercapitalized, if the regulated entity is otherwise classified as undercapitalized; and

''(C) as critically undercapitalized, if the regulated entity is otherwise classified as significantly undercapitalized.''; and

(5) by inserting after subsection (d) (as so redesignated by paragraph (3) of this subsection), the following new subsection:

''(e) RESTRICTION ON CAPITAL DISTRIBUTIONS.—

''(1) IN GENERAL.—A regulated entity shall make no capital distribution if, after making the distribution, the regulated entity would be undercapitalized.

''(2) EXCEPTION.—Notwithstanding paragraph (1), the Director may permit a regulated entity, to the extent appropriate or applicable, to repurchase, redeem, retire, or otherwise acquire shares or ownership interests if the repurchase, redemption, retirement, or other acquisition—

''(A) is made in connection with the issuance of additional shares or obligations of the regulated entity in at least an equivalent amount; and

''(B) will reduce the financial obligations of the regulated entity or otherwise improve the financial condition of the entity.''.

(b) REGULATIONS.—Not later than the expiration of the 180-day period beginning on the effective date under section 185, the Director of the Federal Housing Finance Agency shall issue regulations to carry out section 1364(b) of the Housing and Community Development Act of 1992 (as added by paragraph (4) of this subsection), relating to capital classifications for the Federal home loan banks.

SEC. 152. SUPERVISORY ACTIONS APPLICABLE TO UNDERCAPITALIZED REGULATED ENTITIES.

Section 1365 of the Housing and Community Development Act of 1992 (12 U.S.C. 4615) is amended—

*(1) in the section heading, by striking "**ENTERPRISES**'' and inserting "**REGULATED ENTITIES**'';*

(2) in subsection (a)—

(A) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively;

(B) by inserting before paragraph (2), as so redesignated by subparagraph (A) of this paragraph, the following paragraph:

''(1) REQUIRED MONITORING.—The Director shall—

''(A) closely monitor the condition of any regulated entity that is classified as undercapitalized;

''(B) closely monitor compliance with the capital restoration plan, restrictions, and requirements imposed under this section; and

''(C) periodically review the plan, restrictions, and requirements applicable to the undercapitalized regulated entity to determine whether the plan, restrictions, and requirements are achieving the purpose of this section.''; and

(C) by inserting at the end the following new paragraphs:

''(4) RESTRICTION OF ASSET GROWTH.—A regulated entity that is classified as undercapitalized shall not permit its average total assets (as such term is defined in section 1316(b) during any calendar quarter to exceed its average total assets during the preceding calendar quarter unless—

''(A) the Director has accepted the capital restoration plan of the regulated entity;

''(B) any increase in total assets is consistent with the plan; and

''(C) the ratio of total capital to assets for the regulated entity increases during the calendar quarter at a rate sufficient to enable the entity to become adequately capitalized within a reasonable time.

''(5) PRIOR APPROVAL OF ACQUISITIONS, NEW PRODUCTS, AND NEW ACTIVITIES.—A regulated entity that is classified as undercapitalized shall not, directly or indirectly, acquire any interest in any entity or initially offer any new product (as such term is defined in section 1321(f)) or engage in any new activity, service, undertaking, or offering unless—

''(A) the Director has accepted the capital restoration plan of the regulated entity, the entity is implementing the plan, and the Director determines that the proposed action is consistent with and will further the achievement of the plan; or

''(B) the Director determines that the proposed action will further the purpose of this section.'';

(3) in the subsection heading for subsection (b), by striking ''FROM UNDERCAPITALIZED TO SIGNIFICANTLY UNDERCAPITALIZED''; and

(4) by striking subsection (c) and inserting the following new subsection:

''(c) OTHER DISCRETIONARY SAFEGUARDS.—The Director may take, with respect to a regulated entity that is classified as undercapitalized, any of the actions authorized to be taken under section 1366 with respect to a regulated entity that is classified as significantly undercapitalized, if the Director determines that such actions are necessary to carry out the purpose of this subtitle.''.

SEC. 153. SUPERVISORY ACTIONS APPLICABLE TO SIGNIFICANTLY UNDERCAPITALIZED REGULATED ENTITIES.

Section 1366 of the Housing and Community Development Act of 1992 (12 U.S.C. 4616) is amended—

*(1) in the section heading, by striking "**ENTERPRISES**'' and inserting "**REGULATED ENTITIES**'';*

(2) in subsection (a)(2)(A), by striking ''enterprise'' the last place such term appears;

(3) in subsection (b)—

(A) in the subsection heading, by striking ''DISCRETIONARY SUPERVISORY ACTIONS'' and inserting ''SPECIFIC ACTIONS'';

(B) in the matter preceding paragraph (1), by striking ''may, at any time, take any'' and inserting ''shall carry out this section by taking, at any time, one or more'';

(C) by redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively;

(D) by inserting after paragraph (4) the following new paragraph:

''(5) IMPROVEMENT OF MANAGEMENT.—Take one or more of the following actions:

''(A) NEW ELECTION OF BOARD.—Order a new election for the board of directors of the regulated entity.

''(B) DISMISSAL OF DIRECTORS OR EXECUTIVE OFFICERS.—Require the regulated entity to dismiss from office any director or executive officer who had held office for more than 180 days immediately before the entity became undercapitalized. Dismissal under this subparagraph shall not be construed to be a removal pursuant to the Director's enforcement powers provided in section 1377.

''(C) EMPLOY QUALIFIED EXECUTIVE OFFICERS.—Require the regulated entity to employ qualified executive officers (who, if the Director so specifies, shall be subject to approval by the Director).''; and

(E) by inserting at the end the following new paragraph:

''(8) OTHER ACTION.—Require the regulated entity to take any other action that the Director determines will better carry out the purpose of this section than any of the actions specified in this paragraph.'';

(4) by redesignating subsection (c) as subsection (d); and

(5) by inserting after subsection (b) the following new subsection:

''(c) RESTRICTION ON COMPENSATION OF EXECUTIVE OFFICERS.—A regulated entity that is classified as significantly undercapitalized may not, without prior written approval by the Director—

''(1) pay any bonus to any executive officer; or

''(2) provide compensation to any executive officer at a rate exceeding that officer's average rate of compensation (excluding bonuses, stock options, and profit sharing) during the 12 calendar months preceding the calendar month in which the regulated entity became undercapitalized.''.

SEC. 154. AUTHORITY OVER CRITICALLY UNDERCAPITALIZED REGULATED ENTITIES.

(a) IN GENERAL.—Section 1367 of the Housing and Community Development Act of 1992 (12 U.S.C. 4617) is amended to read as follows:

''SEC. 1367. AUTHORITY OVER CRITICALLY UNDERCAPITALIZED REGULATED ENTITIES.

''(a) APPOINTMENT OF AGENCY AS CONSERVATOR OR RECEIVER.—

''(1) IN GENERAL.—Notwithstanding any other provision of Federal or State law, if any of the grounds under paragraph (3) exist, at the discretion of the Director, the Director may establish a conservatorship or receivership, as appropriate, for the purpose of reorganizing, rehabilitating, or winding up the affairs of a regulated entity.

''(2) APPOINTMENT.—In any conservatorship or receivership established under this section, the Director shall appoint the Agency as conservator or receiver.

''(3) GROUNDS FOR APPOINTMENT.—The grounds for appointing a conservator or receiver for a regulated entity are as follows:

''(A) ASSETS INSUFFICIENT FOR OBLIGATIONS.—The assets of the regulated entity are less than the obligations of the regulated entity to its creditors and others.

''(B) SUBSTANTIAL DISSIPATION.—Substantial dissipation of assets or earnings due to—

''(i) any violation of any provision of Federal or State law; or

''(ii) any unsafe or unsound practice.

''(C) UNSAFE OR UNSOUND CONDITION.—An unsafe or unsound condition to transact business.

''(D) CEASE-AND-DESIST ORDERS.—Any willful violation of a cease-and-desist order that has become final.

''(E) CONCEALMENT.—Any concealment of the books, papers, records, or assets of the regulated entity, or any refusal to submit the books, papers, records, or affairs of the regulated entity, for inspection to any examiner or to any lawful agent of the Director.

''(F) INABILITY TO MEET OBLIGATIONS.—The regulated entity is likely to be unable to pay its obligations or meet the demands of its creditors in the normal course of business.

''(G) LOSSES.—The regulated entity has incurred or is likely to incur losses that will deplete all or substantially all of its capital, and there is no reasonable prospect for the regulated entity to become adequately capitalized (as defined in section 1364(a)(1)).

''(H) VIOLATIONS OF LAW.—Any violation of any law or regulation, or any unsafe or unsound practice or condition that is likely to—

''(i) cause insolvency or substantial dissipation of assets or earnings; or

''(ii) weaken the condition of the regulated entity.

''(I) CONSENT.—The regulated entity, by resolution of its board of directors or its shareholders or members, consents to the appointment.

''(J) UNDERCAPITALIZATION.—The regulated entity is undercapitalized or significantly undercapitalized (as defined in section 1364(a)(3) or in regulations issued pursuant to section 1364(b), as applicable), and—

''(i) has no reasonable prospect of becoming adequately capitalized;

''(ii) fails to become adequately capitalized, as required by—

''(I) section 1365(a)(1) with respect to an undercapitalized regulated entity; or

''(II) section 1366(a)(1) with respect to a significantly undercapitalized regulated entity;

''(iii) fails to submit a capital restoration plan acceptable to the Agency within the time prescribed under section 1369C; or

''(iv) materially fails to implement a capital restoration plan submitted and accepted under section 1369C.

''(K) CRITICAL UNDERCAPITALIZATION.—The regulated entity is critically undercapitalized, as defined in section 1364(a)(4) or in regulations issued pursuant to section 1364(b), as applicable.

''(L) MONEY LAUNDERING.—The Attorney General notifies the Director in writing that the regulated entity has been found guilty of a criminal offense under section 1956 or 1957 of title 18, United States Code, or section 5322 or 5324 of title 31, United States Code.

''(4) MANDATORY RECEIVERSHIP.—

''(A) IN GENERAL.—The Director shall appoint the Agency as receiver for a regulated entity if the Director determines, in writing, that—

''(i) the assets of the regulated entity are, and during the preceding 30 calendar days have been, less than the obligations of the regulated entity to its creditors and others; or

''(ii) the regulated entity is not, and during the preceding 30 calendar days has not been, generally paying the debts of the regulated entity (other than debts that are the subject of a bona fide dispute) as such debts become due.

''(B) PERIODIC DETERMINATION REQUIRED FOR CRITICALLY UNDER CAPITALIZED REGULATED ENTITY.—If a regulated entity is critically undercapitalized, the Director shall make a determination, in writing, as to whether the regulated entity meets the criteria specified in clause (i) or (ii) of subparagraph (A)—

''(i) not later than 30 calendar days after the regulated entity initially becomes critically undercapitalized; and

''(ii) at least once during each succeeding 30-calendar day period.

''(C) DETERMINATION NOT REQUIRED IF RECEIVERSHIP ALREADY IN PLACE.—Subparagraph (B) shall not apply with respect to a regulated entity in any period during which the Agency serves as receiver for the regulated entity.

''(D) RECEIVERSHIP TERMINATES CONSERVATORSHIP.—The appointment under this section of the Agency as receiver of a regulated entity shall immediately terminate any conservatorship established under this title for the regulated entity.

''(5) JUDICIAL REVIEW.—

''(A) IN GENERAL.—If the Agency is appointed conservator or receiver under this section, the regulated entity may, within 30 days of such appointment, bring an action in the United States District Court for the judicial district in which the principal place of business of such regulated entity is located, or in the United States District Court for the District of Columbia, for an order requiring the Agency to remove itself as conservator or receiver.

''(B) REVIEW.—Upon the filing of an action under subparagraph (A), the court shall, upon the merits, dismiss such action or direct the Agency to remove itself as such conservator or receiver.

''(6) DIRECTORS NOT LIABLE FOR ACQUIESCING IN APPOINTMENT OF CONSERVATOR OR RECEIVER.—The members of the board of directors of a regulated entity shall not be liable to the shareholders or creditors of the regulated entity for acquiescing in or consenting in good faith to the appointment of the Agency as conservator or receiver for that regulated entity.

''(7) AGENCY NOT SUBJECT TO ANY OTHER FEDERAL AGENCY.—When acting as conservator or receiver, the Agency shall not be subject to the direction or supervision of any other agency of the United States or any State in the exercise of the rights, powers, and privileges of the Agency.

''(b) POWERS AND DUTIES OF THE AGENCY AS CONSERVATOR OR RECEIVER.—

''(1) RULEMAKING AUTHORITY OF THE AGENCY.—The Agency may prescribe such regulations as the Agency determines to be appropriate regarding the conduct of conservatorships or receiverships.

''(2) GENERAL POWERS.—

''(A) SUCCESSOR TO REGULATED ENTITY.—The Agency shall, as conservator or receiver, and by operation of law, immediately succeed to—

''(i) all rights, titles, powers, and privileges of the regulated entity, and of any stockholder, officer, or director of such regulated entity with respect to the regulated entity and the assets of the regulated entity; and

''(ii) title to the books, records, and assets of any other legal custodian of such regulated entity.

''(B) OPERATE THE REGULATED ENTITY.—The Agency may, as conservator or receiver—

''(i) take over the assets of and operate the regulated entity with all the powers of the shareholders, the directors, and the officers of the regulated entity and conduct all business of the regulated entity;

''(ii) collect all obligations and money due the regulated entity;

''(iii) perform all functions of the regulated entity in the name of the regulated entity which are consistent with the appointment as conservator or receiver; and

''(iv) preserve and conserve the assets and property of such regulated entity.

''(C) FUNCTIONS OF OFFICERS, DIRECTORS, AND SHAREHOLDERS OF A REGULATED ENTITY.—The Agency may, by regulation or order, provide for the exercise of any function by any stockholder, director, or officer of any regulated entity for which the Agency has been named conservator or receiver.

''(D) POWERS AS CONSERVATOR.—The Agency may, as conservator, take such action as may be—

''(i) necessary to put the regulated entity in a sound and solvent condition; and

''(ii) appropriate to carry on the business of the regulated entity and preserve and conserve the assets and property of the regulated entity, including, if two or more Federal home loan banks have been placed in conservatorship contemporaneously, merging two or more such banks into a single Federal home loan bank.

''(E) ADDITIONAL POWERS AS RECEIVER.—The Agency may, as receiver, place the regulated entity in liquidation and proceed to realize upon the assets of the regulated entity, having due regard to the conditions of the housing finance market.

''(F) ORGANIZATION OF NEW REGULATED ENTITIES.—The Agency may, as receiver, organize a successor regulated entity that will operate pursuant to subsection (i).

''(G) TRANSFER OF ASSETS AND LIABILITIES.—The Agency may, as conservator or receiver, transfer any asset or liability of the regulated entity in default without any approval, assignment, or consent with respect to such transfer. Any Federal home loan bank may, with the approval of the Agency, acquire the assets of any Bank in conservatorship or receivership, and assume the liabilities of such Bank.

''(H) PAYMENT OF VALID OBLIGATIONS.—The Agency, as conservator or receiver, shall, to the extent of proceeds realized from the performance of contracts or sale of the assets of a regulated entity, pay all valid obligations of the regulated entity in accordance with the prescriptions and limitations of this section.

''(I) SUBPOENA AUTHORITY.—

''(i) IN GENERAL.—

''(I) IN GENERAL.—The Agency may, as conservator or receiver, and for purposes of carrying out any power, authority, or duty with respect to a regulated entity (including determining any claim against the regulated entity and determining and realizing upon any asset of any person in the course of collecting money due the regulated entity), exercise any power established under section 1348.

''(II) APPLICABILITY OF LAW.—The provisions of section 1348 shall apply with respect to the exercise of any power exercised under this subparagraph in the same manner as such provisions apply under that section.

''(ii) AUTHORITY OF DIRECTOR.—A subpoena or subpoena duces tecum may be issued under clause (i) only by, or with the written approval of, the Director, or the designee of the Director.

''(iii) RULE OF CONSTRUCTION.—This subsection shall not be construed to limit any rights that the Agency, in any capacity, might otherwise have under section 1317 or 1379D.

''(J) CONTRACTING FOR SERVICES.—The Agency may, as conservator or receiver, provide by contract for the carrying out of any of its functions, activities, actions, or duties as conservator or receiver.

''(K) INCIDENTAL POWERS.—The Agency may, as conservator or receiver—

''(i) exercise all powers and authorities specifically granted to conservators or receivers, respectively, under this section, and such incidental powers as shall be necessary to carry out such powers; and

''(ii) take any action authorized by this section, which the Agency determines is in the best interests of the regulated entity or the Agency.

''(3) AUTHORITY OF RECEIVER TO DETERMINE CLAIMS.—

''(A) IN GENERAL.—The Agency may, as receiver, determine claims in accordance with the requirements of this subsection and any regulations prescribed under paragraph (4).

''(B) NOTICE REQUIREMENTS.—The receiver, in any case involving the liquidation or winding up of the affairs of a closed regulated entity, shall—

''(i) promptly publish a notice to the creditors of the regulated entity to present their claims, together with proof, to the receiver by a date specified in the notice which shall be not less than 90 days after the publication of such notice; and

''(ii) republish such notice approximately 1 month and 2 months, respectively, after the publication under clause (i).

''(C) MAILING REQUIRED.—The receiver shall mail a notice similar to the notice published under subparagraph (B)(i) at the time of such publication to any creditor shown on the books of the regulated entity—

''(i) at the last address of the creditor appearing in such books; or

''(ii) upon discovery of the name and address of a claimant not appearing on the books of the regulated entity within 30 days after the discovery of such name and address.

''(4) RULEMAKING AUTHORITY RELATING TO DETERMINATION OF CLAIMS.—Subject to subsection (c), the Director may prescribe regulations regarding the allowance or disallowance of claims by the receiver and providing for administrative determination of claims and review of such determination.

''(5) PROCEDURES FOR DETERMINATION OF CLAIMS.—

''(A) DETERMINATION PERIOD.—

''(i) IN GENERAL.—Before the end of the 180-day period beginning on the date on which any claim against a regulated entity is filed with the Agency as receiver, the Agency shall determine whether to allow or disallow the claim and shall notify the claimant of any determination with respect to such claim.

''(ii) EXTENSION OF TIME.—The period described in clause (i) may be extended by a written agreement between the claimant and the Agency.

''(iii) MAILING OF NOTICE SUFFICIENT.—The notification requirements of clause (i) shall be deemed to be satisfied if the notice of any determination with respect to any claim is mailed to the last address of the claimant which appears—

''(I) on the books of the regulated entity;

''(II) in the claim filed by the claimant; or

''(III) in documents submitted in proof of the claim.

''(iv) CONTENTS OF NOTICE OF DISALLOWANCE.—If any claim filed under clause (i) is disallowed, the notice to the claimant shall contain—

''(I) a statement of each reason for the disallowance; and

''(II) the procedures available for obtaining agency review of the determination to disallow the claim or judicial determination of the claim.

''(B) ALLOWANCE OF PROVEN CLAIM.—The receiver shall allow any claim received on or before the date specified in the notice published under paragraph (3)(B)(i), or the date specified in the notice required under paragraph (3)(C), which is proved to the satisfaction of the receiver.

''(C) DISALLOWANCE OF CLAIMS FILED AFTER END OF FILING PERIOD.—Claims filed after the date specified in the notice published under paragraph (3)(B)(i), or the date specified under paragraph (3)(C), shall be disallowed and such disallowance shall be final.

''(D) AUTHORITY TO DISALLOW CLAIMS.—

''(i) IN GENERAL.—The receiver may disallow any portion of any claim by a creditor or claim of security, preference, or priority which is not proved to the satisfaction of the receiver.

''(ii) PAYMENTS TO LESS THAN FULLY SECURED CREDITORS.—In the case of a claim of a creditor against a regulated entity which is secured by any property or other asset of such regulated entity, the receiver—

''(I) may treat the portion of such claim which exceeds an amount equal to the fair market value of such property or other asset as an unsecured claim against the regulated entity; and

''(II) may not make any payment with respect to such unsecured portion of the claim other than in connection with the disposition of all claims of unsecured creditors of the regulated entity.

''(iii) EXCEPTIONS.—No provision of this paragraph shall apply with respect to any extension of credit from any Federal Reserve Bank, Federal home loan bank, or the Treasury of the United States.

''(E) NO JUDICIAL REVIEW OF DETERMINATION PURSUANT TO SUBPARAGRAPH (D).—No court may review the determination of the Agency under subparagraph (D) to disallow a claim. This subparagraph shall not affect the authority of a claimant to obtain de novo judicial review of a claim pursuant to paragraph (6).

''(F) LEGAL EFFECT OF FILING.—

''(i) STATUTE OF LIMITATION TOLLED.—For purposes of any applicable statute of limitations, the filing of a claim with the receiver shall constitute a commencement of an action.

''(ii) NO PREJUDICE TO OTHER ACTIONS.—Subject to paragraph (10), the filing of a claim with the receiver shall not prejudice any right of the claimant to continue any action which was filed before the date of the appointment of the receiver, subject to the determination of claims by the receiver.

''(6) PROVISION FOR JUDICIAL DETERMINATION OF CLAIMS.—

''(A) IN GENERAL.—The claimant may file suit on a claim (or continue an action commenced before the appointment of the receiver) in the district or territorial court of the United States for the district within which the principal place of business of the regulated entity is located or the United States District Court for the District of Columbia (and such court shall have jurisdiction to hear such claim), before the end of the 60-day period beginning on the earlier of—

''(i) the end of the period described in paragraph (5)(A)(i) with respect to any claim against a regulated entity for which the Agency is receiver; or

''(ii) the date of any notice of disallowance of such claim pursuant to paragraph (5)(A)(i).

''(B) STATUTE OF LIMITATIONS.—A claim shall be deemed to be disallowed (other than any portion of such claim which was allowed by the receiver), and such disallowance shall be final, and the claimant shall have no further rights or remedies with respect to such claim, if the claimant fails, before the end of the 60-day period described under subparagraph (A), to file suit on such claim (or continue an action commenced before the appointment of the receiver).

''(7) REVIEW OF CLAIMS.—

''(A) OTHER REVIEW PROCEDURES.—

''(i) IN GENERAL.—The Agency shall establish such alternative dispute resolution processes as may be appropriate for the resolution of claims filed under paragraph (5)(A)(i).

''(ii) CRITERIA.—In establishing alternative dispute resolution processes, the Agency shall strive for procedures which are expeditious, fair, independent, and low cost.

''(iii) VOLUNTARY BINDING OR NONBINDING PROCEDURES.—The Agency may establish both binding and nonbinding processes, which may be conducted by any government or private party. All parties, including the claimant and the Agency, must agree to the use of the process in a particular case.

''(B) CONSIDERATION OF INCENTIVES.—The Agency shall seek to develop incentives for claimants to participate in the alternative dispute resolution process.

''(8) EXPEDITED DETERMINATION OF CLAIMS.—

''(A) ESTABLISHMENT REQUIRED.—The Agency shall establish a procedure for expedited relief outside of the routine claims process established under paragraph (5) for claimants who—

''(i) allege the existence of legally valid and enforceable or perfected security interests in assets of any regulated entity for which the Agency has been appointed receiver; and

''(ii) allege that irreparable injury will occur if the routine claims procedure is followed.

''(B) DETERMINATION PERIOD.—Before the end of the 90-day period beginning on the date any claim is filed in accordance with the procedures established under subparagraph (A), the Director shall—

''(i) determine—

''(I) whether to allow or disallow such claim; or

''(II) whether such claim should be determined pursuant to the procedures established under paragraph (5); and

''(ii) notify the claimant of the determination, and if the claim is disallowed, provide a statement of each reason for the disallowance and the procedure for obtaining agency review or judicial determination.

''(C) PERIOD FOR FILING OR RENEWING SUIT.—Any claimant who files a request for expedited relief shall be permitted to file a suit, or to continue a suit filed before the appointment of the receiver, seeking a determination of the rights of the claimant with respect to such security interest after the earlier of—

''(i) the end of the 90-day period beginning on the date of the filing of a request for expedited relief; or

''(ii) the date the Agency denies the claim.

''(D) STATUTE OF LIMITATIONS.—If an action described under subparagraph (C) is not filed, or the motion to renew a previously filed suit is not made, before the end of the 30-day period beginning on the date on which such action or motion may be filed under subparagraph (B), the claim shall be deemed to be disallowed as of the end of such period (other than any portion of such claim which was allowed by the receiver), such disallowance shall be final, and the claimant shall have no further rights or remedies with respect to such claim.

''(E) LEGAL EFFECT OF FILING.—

''(i) STATUTE OF LIMITATION TOLLED.—For purposes of any applicable statute of limitations, the filing of a claim with the receiver shall constitute a commencement of an action.

''(ii) NO PREJUDICE TO OTHER ACTIONS.—Subject to paragraph (10), the filing of a claim with the receiver shall not prejudice any right of the claimant to continue any action that was filed before the appointment of the receiver, subject to the determination of claims by the receiver.

''(9) PAYMENT OF CLAIMS.—

''(A) IN GENERAL.—The receiver may, in the discretion of the receiver, and to the extent funds are available from the assets of the regulated entity, pay creditor claims, in such manner and amounts as are authorized under this section, which are—

''(i) allowed by the receiver;

''(ii) approved by the Agency pursuant to a final determination pursuant to paragraph (7) or (8); or

''(iii) determined by the final judgment of any court of competent jurisdiction.

''(B) AGREEMENTS AGAINST THE INTEREST OF THE AGENCY.—No agreement that tends to diminish or defeat the interest of the Agency in any asset acquired by the Agency as receiver under this section shall be valid against the Agency unless such agreement is in writing, and executed by an authorized official of the regulated entity, except that such requirements for qualified financial contracts shall be applied in a manner consistent with reasonable business trading practices in the financial contracts market.

''(C) PAYMENT OF DIVIDENDS ON CLAIMS.—The receiver may, in the sole discretion of the receiver, pay from the assets of the regulated entity dividends on proved claims at any time, and no liability shall attach to the Agency, by reason of any such payment, for failure to pay dividends to a claimant whose claim is not proved at the time of any such payment.

''(D) RULEMAKING AUTHORITY OF THE DIRECTOR.—The Director may prescribe such rules, including definitions of terms, as the Director deems appropriate to establish a single uniform interest rate for, or to make payments of post-insolvency interest to creditors holding proven claims against the receivership estates of regulated entities following satisfaction by the receiver of the principal amount of all creditor claims.

''(10) SUSPENSION OF LEGAL ACTIONS.—

''(A) IN GENERAL.—After the appointment of a conservator or receiver for a regulated entity, the conservator or receiver may, in any judicial action or proceeding to which such regulated entity is or becomes a party, request a stay for a period not to exceed—

''(i) 45 days, in the case of any conservator; and

''(ii) 90 days, in the case of any receiver.

''(B) GRANT OF STAY BY ALL COURTS REQUIRED.—Upon receipt of a request by any conservator or receiver under subparagraph (A) for a stay of any judicial action or proceeding in any court with jurisdiction of such action or proceeding, the court shall grant such stay as to all parties.

''(11) ADDITIONAL RIGHTS AND DUTIES.—

''(A) PRIOR FINAL ADJUDICATION.—The Agency shall abide by any final unappealable judgment of any court of competent jurisdiction which was rendered before the appointment of the Agency as conservator or receiver.

''(B) RIGHTS AND REMEDIES OF CONSERVATOR OR RECEIVER.—In the event of any appealable judgment, the Agency as conservator or receiver shall—

''(i) have all the rights and remedies available to the regulated entity (before the appointment of such conservator or receiver) and the Agency, including removal to Federal court and all appellate rights; and

''(ii) not be required to post any bond in order to pursue such remedies.

''(C) NO ATTACHMENT OR EXECUTION.—No attachment or execution may issue by any court upon assets in the possession of the receiver.

''(D) LIMITATION ON JUDICIAL REVIEW.—Except as otherwise provided in this subsection, no court shall have jurisdiction over—

''(i) any claim or action for payment from, or any action seeking a determination of rights with respect to, the assets of any regulated entity for which the Agency has been appointed receiver; or

''(ii) any claim relating to any act or omission of such regulated entity or the Agency as receiver.

''(E) DISPOSITION OF ASSETS.—In exercising any right, power, privilege, or authority as conservator or receiver in connection with any sale or disposition of assets of a regulated entity for which the Agency has been appointed conservator or receiver, the Agency shall conduct its operations in a manner which maintains stability in the housing finance markets and, to the extent consistent with that goal—

''(i) maximizes the net present value return from the sale or disposition of such assets;

''(ii) minimizes the amount of any loss realized in the resolution of cases; and

''(iii) ensures adequate competition and fair and consistent treatment of offerors.

''(12) STATUTE OF LIMITATIONS FOR ACTIONS BROUGHT BY CONSERVATOR OR RECEIVER.—

''(A) IN GENERAL.—Notwithstanding any provision of any contract, the applicable statute of limitations with regard to any action brought by the Agency as conservator or receiver shall be—

''(i) in the case of any contract claim, the longer of—

''(I) the 6-year period beginning on the date the claim accrues; or

''(II) the period applicable under State law; and

''(ii) in the case of any tort claim, the longer of—

''(I) the 3-year period beginning on the date the claim accrues; or

''(II) the period applicable under State law.

''(B) DETERMINATION OF THE DATE ON WHICH A CLAIM ACCRUES.—For purposes of subparagraph (A), the date on which the statute of limitations begins to run on any claim described in such subparagraph shall be the later of—

''(i) the date of the appointment of the Agency as conservator or receiver; or

''(ii) the date on which the cause of action accrues.

''(13) REVIVAL OF EXPIRED STATE CAUSES OF ACTION.—

''(A) IN GENERAL.—In the case of any tort claim described under subparagraph (B) for which the statute of limitations applicable under State law with respect to such claim has expired not more than 5 years before the appointment of the Agency as conservator or receiver, the Agency may bring an action as conservator or receiver on such claim without regard to the expiration of the statute of limitation applicable under State law.

''(B) CLAIMS DESCRIBED.—A tort claim referred to under subparagraph (A) is a claim arising from fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the regulated entity.

''(14) ACCOUNTING AND RECORDKEEPING REQUIREMENTS.—

''(A) IN GENERAL.—The Agency as conservator or receiver shall, consistent with the accounting and reporting practices and procedures established by the Agency, maintain a full accounting of each conservatorship and receivership or other disposition of a regulated entity in default.

''(B) ANNUAL ACCOUNTING OR REPORT.—With respect to each conservatorship or receivership, the Agency shall make an annual accounting or report available to the Board, the Comptroller General of the United States, the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Committee on Financial Services of the House of Representatives.

''(C) AVAILABILITY OF REPORTS.—Any report prepared under subparagraph (B) shall be made available by the Agency upon request to any shareholder of a regulated entity or any member of the public.

''(D) RECORDKEEPING REQUIREMENT.—After the end of the 6-year period beginning on the date that the conservatorship or receivership is terminated by the Director, the Agency may destroy any records of such regulated entity which the Agency, in the discretion of the Agency, determines to be unnecessary unless directed not to do so by a court of competent jurisdiction or governmental agency, or prohibited by law.

''(15) FRAUDULENT TRANSFERS.—

''(A) IN GENERAL.—The Agency, as conservator or receiver, may avoid a transfer of any interest of a regulated entity-affiliated party, or any person who the conservator or receiver determines is a debtor of the regulated entity, in property, or any obligation incurred by such party or person, that was made within 5 years of the date on which the Agency was appointed conservator or receiver, if such party or person voluntarily or involuntarily made such transfer or incurred such liability with the intent to hinder, delay, or defraud the regulated entity, the Agency, the conservator, or receiver.

''(B) RIGHT OF RECOVERY.—To the extent a transfer is avoided under subparagraph (A), the conservator or receiver may recover, for the benefit of the regulated entity, the property transferred, or, if a court so orders, the value of such property (at the time of such transfer) from—

''(i) the initial transferee of such transfer or the regulated entity-affiliated party or person for whose benefit such transfer was made; or

''(ii) any immediate or mediate transferee of any such initial transferee.

''(C) RIGHTS OF TRANSFEREE OR OBLIGEE.—The conservator or receiver may not recover under subparagraph (B) from—

''(i) any transferee that takes for value, including satisfaction or securing of a present or antecedent debt, in good faith; or

''(ii) any immediate or mediate good faith transferee of such transferee.

''(D) RIGHTS UNDER THIS PARAGRAPH.—The rights under this paragraph of the conservator or receiver described under subparagraph (A) shall be superior to any rights of a trustee or any other party (other than any party which is a Federal agency) under title 11, United States Code.

''(16) ATTACHMENT OF ASSETS AND OTHER INJUNCTIVE RELIEF.—Subject to paragraph (17), any court of competent jurisdiction may, at the request of the conservator or receiver, issue an order in accordance with Rule 65 of the Federal Rules of Civil Procedure, including an order placing the assets of any person designated by the Agency or such conservator under the control of the court, and appointing a trustee to hold such assets.

''(17) STANDARDS OF PROOF.—Rule 65 of the Federal Rules of Civil Procedure shall apply with respect to any proceeding under paragraph (16) without regard to the requirement of such rule that the applicant show that the injury, loss, or damage is irreparable and immediate.

''(18) TREATMENT OF CLAIMS ARISING FROM BREACH OF CONTRACTS EXECUTED BY THE RECEIVER OR CONSERVATOR.—

''(A) IN GENERAL.—Notwithstanding any other provision of this subsection, any final and unappealable judgment for monetary damages entered against a receiver or conservator for the breach of an agreement executed or approved in writing by such receiver or conservator after the date of its appointment, shall be paid as an administrative expense of the receiver or conservator.

''(B) NO LIMITATION OF POWER.—Nothing in this paragraph shall be construed to limit the power of a receiver or conservator to exercise any rights under contract or law, including to terminate, breach, cancel, or otherwise discontinue such agreement.

''(19) GENERAL EXCEPTIONS.—

''(A) LIMITATIONS.—The rights of a conservator or receiver appointed under this section shall be subject to the limitations on the powers of a receiver under sections 402 through 407 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4402 through 4407).

''(B) MORTGAGES HELD IN TRUST.—

''(i) IN GENERAL.—Any mortgage, pool of mortgages, or interest in a pool of mortgages, held in trust, custodial, or agency capacity by a regulated entity for the benefit of persons other than

the regulated entity shall not be available to satisfy the claims of creditors generally.

''(ii) HOLDING OF MORTGAGES.—Any mortgage, pool of mortgages, or interest in a pool of mortgages, described under clause (i) shall be held by the conservator or receiver appointed under this section for the beneficial owners of such mortgage, pool of mortgages, or interest in a pool of mortgages in accordance with the terms of the agreement creating such trust, custodial, or other agency arrangement.

''(iii) LIABILITY OF RECEIVER.—The liability of a receiver appointed under this section for damages shall, in the case of any contingent or unliquidated claim relating to the mortgages held in trust, be estimated in accordance set forth in the regulations of the Director.

''(c) PRIORITY OF EXPENSES AND UNSECURED CLAIMS.—

''(1) IN GENERAL.—Unsecured claims against a regulated entity, or a receiver, that are proven to the satisfaction of the receiver shall have priority in the following order:

''(A) Administrative expenses of the receiver.

''(B) Any other general or senior liability of the regulated entity and claims of other Federal home loan banks arising from their payment obligations (including joint and several payment obligations).

''(C) Any obligation subordinated to general creditors.

''(D) Any obligation to shareholders or members arising as a result of their status as shareholder or members.

''(2) CREDITORS SIMILARLY SITUATED.—All creditors that are similarly situated under paragraph (1) shall be treated in a similar manner, except that the Agency may make such other payments to creditors necessary to maximize the present value return from the sale or disposition or such regulated entity's assets or to minimize the amount of any loss realized in the resolution of cases so long as all creditors similarly situated receive not less than the amount provided under subsection (e)(2).

''(3) DEFINITION.—The term 'administrative expenses of the receiver' shall include the actual, necessary costs and expenses incurred by the receiver in preserving the assets of the regulated entity or liquidating or otherwise resolving the affairs of the regulated entity. Such expenses shall include obligations that are incurred by the receiver after appointment as receiver that the Director determines are necessary and appropriate to facilitate the smooth and orderly liquidation or other resolution of the regulated entity.

''(d) PROVISIONS RELATING TO CONTRACTS ENTERED INTO BEFORE APPOINTMENT OF CONSERVATOR OR RECEIVER.—

''(1) AUTHORITY TO REPUDIATE CONTRACTS.—In addition to any other rights a conservator or receiver may have, the conservator or receiver for any regulated entity may disaffirm or repudiate any contract or lease—

''(A) to which such regulated entity is a party;

''(B) the performance of which the conservator or receiver, in its sole discretion, determines to be burdensome; and

''(C) the disaffirmance or repudiation of which the conservator or receiver determines, in its sole discretion, will promote the orderly administration of the affairs of the regulated entity.

''(2) TIMING OF REPUDIATION.—The conservator or receiver shall determine whether or not to exercise the rights of repudiation under this subsection within a reasonable period following such appointment.

''(3) CLAIMS FOR DAMAGES FOR REPUDIATION.—

''(A) IN GENERAL.—Except as otherwise provided under subparagraph (C) and paragraphs (4), (5), and (6), the liability of the conservator or receiver for the disaffirmance or repudiation of any contract pursuant to paragraph (1) shall be—

''(i) limited to actual direct compensatory damages; and

''(ii) determined as of—

''(I) the date of the appointment of the conservator or receiver; or

''(II) in the case of any contract or agreement referred to in paragraph (8), the date of the disaffirmance or repudiation of such contract or agreement.

''(B) NO LIABILITY FOR OTHER DAMAGES.—For purposes of subparagraph (A), the term 'actual direct compensatory damages' shall not include—

''(i) punitive or exemplary damages;

''(ii) damages for lost profits or opportunity; or

''(iii) damages for pain and suffering.

''(C) MEASURE OF DAMAGES FOR REPUDIATION OF FINANCIAL CONTRACTS.—In the case of any qualified financial contract or agreement to which paragraph (8) applies, compensatory damages shall be—

''(i) deemed to include normal and reasonable costs of cover or other reasonable measures of damages utilized in the industries for such contract and agreement claims; and

''(ii) paid in accordance with this subsection and subsection (e), except as otherwise specifically provided in this section.

''(4) LEASES UNDER WHICH THE REGULATED ENTITY IS THE LESSEE.—

''(A) IN GENERAL.—If the conservator or receiver disaffirms or repudiates a lease under which the regulated entity was the lessee, the conservator or receiver shall not be liable for any damages (other than damages determined under subparagraph (B)) for the disaffirmance or repudiation of such lease.

''(B) PAYMENTS OF RENT.—Notwithstanding subparagraph (A), the lessor under a lease to which that subparagraph applies shall—

''(i) be entitled to the contractual rent accruing before the later of the date—

''(I) the notice of disaffirmance or repudiation is mailed; or

''(II) the disaffirmance or repudiation becomes effective, unless the lessor is in default or breach of the terms of the lease;

''(ii) have no claim for damages under any acceleration clause or other penalty provision in the lease; and

''(iii) have a claim for any unpaid rent, subject to all appropriate offsets and defenses, due as of the date of the appointment, which shall be paid in accordance with this subsection and subsection (e).

''(5) LEASES UNDER WHICH THE REGULATED ENTITY IS THE LESSOR.—

''(A) IN GENERAL.—If the conservator or receiver repudiates an unexpired written lease of real property of the regulated entity under which the regulated entity is the lessor and the lessee is not, as of the date of such repudiation, in default, the lessee under such lease may either—

''(i) treat the lease as terminated by such repudiation; or

''(ii) remain in possession of the leasehold interest for the balance of the term of the lease, unless the lessee defaults under the terms of the lease after the date of such repudiation.

''(B) PROVISIONS APPLICABLE TO LESSEE REMAINING IN POSSESSION.—If any lessee under a lease described under subparagraph (A) remains in possession of a leasehold interest under clause (ii) of such subparagraph—

''(i) the lessee—

''(I) shall continue to pay the contractual rent pursuant to the terms of the lease after the date of the repudiation of such lease; and

''(II) may offset against any rent payment which accrues after the date of the repudiation of the lease, and any damages which accrue after such date due to the nonperformance of any obligation of the regulated entity under the lease after such date; and

''(ii) the conservator or receiver shall not be liable to the lessee for any damages arising after such date as a result of the repudiation other than the amount of any offset allowed under clause (i)(II).

''(6) CONTRACTS FOR THE SALE OF REAL PROPERTY.—

''(A) IN GENERAL.—If the conservator or receiver repudiates any contract for the sale of real property and the purchaser of such real property under such contract is in possession, and is not, as of the date of such repudiation, in default, such purchaser may either—

''(i) treat the contract as terminated by such repudiation; or

''(ii) remain in possession of such real property.

''(B) PROVISIONS APPLICABLE TO PURCHASER REMAINING IN POSSESSION.—If any purchaser of real property under any contract described under subparagraph (A) remains in possession of such property under clause (ii) of such subparagraph—

''(i) the purchaser—

''(I) shall continue to make all payments due under the contract after the date of the repudiation of the contract; and

''(II) may offset against any such payments any damages which accrue after such date due to the nonperformance (after such date) of any obligation of the regulated entity under the contract; and

''(ii) the conservator or receiver shall—

''(I) not be liable to the purchaser for any damages arising after such date as a result of the repudiation other than the amount of any offset allowed under clause (i)(II);

''(II) deliver title to the purchaser in accordance with the provisions of the contract; and

''(III) have no obligation under the contract other than the performance required under subclause (II).

''(C) ASSIGNMENT AND SALE ALLOWED.—

''(i) IN GENERAL.—No provision of this paragraph shall be construed as limiting the right of the conservator or receiver to assign the contract described under subparagraph (A), and sell the property subject to the contract and the provisions of this paragraph.

''(ii) NO LIABILITY AFTER ASSIGNMENT AND SALE.—If an assignment and sale described under clause (i) is consummated, the conservator or receiver shall have no further liability under the contract described under subparagraph (A), or with respect to the real property which was the subject of such contract.

''(7) PROVISIONS APPLICABLE TO SERVICE CONTRACTS.—

''(A) SERVICES PERFORMED BEFORE APPOINTMENT.—In the case of any contract for services between any person and any regulated entity for which the Agency has been appointed conservator or receiver, any claim of such person for services performed before the appointment of the conservator or the receiver shall be—

''(i) a claim to be paid in accordance with subsections (b) and (e); and

''(ii) deemed to have arisen as of the date the conservator or receiver was appointed.

''(B) SERVICES PERFORMED AFTER APPOINTMENT AND PRIOR TO REPUDIATION.—If, in the case of any contract for services described under subparagraph (A), the conservator or receiver accepts performance by the other person before the conservator or receiver makes any determination to exercise the right of repudiation of such contract under this section—

''(i) the other party shall be paid under the terms of the contract for the services performed; and

''(ii) the amount of such payment shall be treated as an administrative expense of the conservatorship or receivership.

''(C) ACCEPTANCE OF PERFORMANCE NO BAR TO SUBSEQUENT REPUDIATION.—The acceptance by any conservator or receiver of services referred to under subparagraph (B) in connection with a contract described in such subparagraph shall not affect the right of the conservator or receiver to repudiate such contract under this section at any time after such performance.

''(8) CERTAIN QUALIFIED FINANCIAL CONTRACTS.—

''(A) RIGHTS OF PARTIES TO CONTRACTS.—Subject to paragraphs (9) and (10) and notwithstanding any other provision of this Act, any other Federal law, or the law of any State, no person shall be stayed or prohibited from exercising—

''(i) any right such person has to cause the termination, liquidation, or acceleration of any qualified financial contract with a regulated entity that arises upon the appointment of the Agency as receiver for such regulated entity at any time after such appointment;

''(ii) any right under any security agreement or arrangement or other credit enhancement relating to one or more qualified financial contracts described in clause (i); or

''(iii) any right to offset or net out any termination value, payment amount, or other transfer obligation arising under or in connection with 1 or more contracts and agreements described in clause (i), including any master agreement for such contracts or agreements.

''(B) APPLICABILITY OF OTHER PROVISIONS.—Paragraph (10) of subsection (b) shall apply in the case of any judicial action or proceeding brought against any receiver referred to under subparagraph (A), or the regulated entity for which such receiver was appointed, by any party to a contract or agreement described under subparagraph (A)(i) with such regulated entity.

''(C) CERTAIN TRANSFERS NOT AVOIDABLE.—

''(i) IN GENERAL.—Notwithstanding paragraph (11) or any other Federal or State laws relating to the avoidance of preferential or fraudulent transfers, the Agency, whether acting as such or as conservator or receiver of a regulated entity, may not avoid any transfer of money or other property in connection with any qualified financial contract with a regulated entity.

''(ii) EXCEPTION FOR CERTAIN TRANSFERS.—Clause (i) shall not apply to any transfer of money or other property in connection with any qualified financial contract with a regulated entity if the Agency determines that the transferee had actual intent to hinder, delay, or defraud such regulated entity, the creditors of such regulated entity, or any conservator or receiver appointed for such regulated entity.

''(D) CERTAIN CONTRACTS AND AGREEMENTS DEFINED.—In this subsection:

''(i) QUALIFIED FINANCIAL CONTRACT.—The term 'qualified financial contract' means any securities contract, commodity contract, forward contract, repurchase agreement, swap agreement, and any similar agreement that the Agency determines by regulation, resolution, or order to be a qualified financial contract for purposes of this paragraph.

''(ii) SECURITIES CONTRACT.—The term 'securities contract'—

''(I) means a contract for the purchase, sale, or loan of a security, a certificate of deposit, a mortgage loan, or any interest in a mortgage loan, a group or index of securities, certificates of deposit, or mortgage loans or interests therein (including any interest therein or based on the value thereof) or any option on any of the foregoing, including any option to purchase or sell any such security, certificate of deposit, mortgage loan, interest, group or index, or option, and including any repurchase or reverse repurchase transaction on any such security, certificate of deposit, mortgage loan, interest, group or index, or option;

''(II) does not include any purchase, sale, or repurchase obligation under a participation in a commercial mortgage loan unless the Agency determines by regulation, resolution, or order to include any such agreement within the meaning of such term;

''(III) means any option entered into on a national securities exchange relating to foreign currencies;

''(IV) means the guarantee by or to any securities clearing agency of any settlement of cash, securities, certificates of deposit, mortgage loans or interests therein, group or index of securities, certificates of deposit, or mortgage loans or interests therein (including any interest therein or based on the value thereof) or option on any of the foregoing, including any option to purchase or sell any such security, certificate of deposit, mortgage loan, interest, group or index, or option;

''(V) means any margin loan;

''(VI) means any other agreement or transaction that is similar to any agreement or transaction referred to in this clause;

''(VII) means any combination of the agreements or transactions referred to in this clause;

''(VIII) means any option to enter into any agreement or transaction referred to in this clause;

''(IX) means a master agreement that provides for an agreement or transaction referred to in subclause (I), (III), (IV), (V), (VI), (VII), or (VIII), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a securities contract under this clause, except that the master agreement shall be considered to be a securities contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (III), (IV), (V), (VI), (VII), or (VIII); and

''(X) means any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this clause, including any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in this clause.

''(iii) COMMODITY CONTRACT.—The term 'commodity contract' means—

''(I) with respect to a futures commission merchant, a contract for the purchase or sale of a commodity for future delivery on, or subject to the rules of, a contract market or board of trade;

''(II) with respect to a foreign futures commission merchant, a foreign future;

''(III) with respect to a leverage transaction merchant, a leverage transaction;

''(IV) with respect to a clearing organization, a contract for the purchase or sale of a commodity for future delivery on, or subject to the rules of, a contract market or board of trade that is cleared by such clearing organization, or commodity option traded on, or subject to the rules of, a contract market or board of trade that is cleared by such clearing organization;

''(V) with respect to a commodity options dealer, a commodity option;

''(VI) any other agreement or transaction that is similar to any agreement or transaction referred to in this clause;

''(VII) any combination of the agreements or transactions referred to in this clause;

''(VIII) any option to enter into any agreement or transaction referred to in this clause;

''(IX) a master agreement that provides for an agreement or transaction referred to in subclause (I), (II), (III), (IV), (V), (VI), (VII), or (VIII), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a commodity contract under this clause, except that the master agreement shall be considered to be a commodity contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), (III), (IV), (V), (VI), (VII), or (VIII); or

''(X) any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this clause, including any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in this clause.

''(iv) FORWARD CONTRACT.—The term 'forward contract' means—

''(I) a contract (other than a commodity contract) for the purchase, sale, or transfer of a commodity or any similar good, article, service, right, or interest which is presently or in the future becomes the subject of dealing in the forward contract trade, or product or byproduct thereof, with a maturity date more than 2 days after the date the contract is entered into, including, a repurchase transaction, reverse repurchase transaction, consignment, lease, swap, hedge transaction, deposit, loan, option, allocated transaction, unallocated transaction, or any other similar agreement;

''(II) any combination of agreements or transactions referred to in subclauses (I) and (III);

''(III) any option to enter into any agreement or transaction referred to in subclause (I) or (II);

''(IV) a master agreement that provides for an agreement or transaction referred to in subclauses (I), (II), or (III), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a forward contract under this clause, except that the master agreement shall be considered to be a forward contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), or (III); or

''(V) any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in subclause (I), (II), (III), or (IV), including any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in any such subclause.

''(v) REPURCHASE AGREEMENT.—The term 'repurchase agreement' (which definition also applies to a reverse repurchase agreement)—

''(I) means an agreement, including related terms, which provides for the transfer of one or more certificates of deposit, mortgage-related securities (as such term is defined in the Securities Exchange Act of 1934), mortgage loans, interests in mortgage-related securities or mortgage loans, eligible bankers' acceptances, qualified foreign government securities or securities that are direct obligations of, or that are fully guaranteed by, the United States or any agency of the United States against the transfer of funds by the transferee of such certificates of deposit, eligible bankers' acceptances, securities, mortgage loans, or interests with a simultaneous agreement by such transferee to transfer to the transferor thereof certificates of deposit, eligible bankers' acceptances, securities, mortgage loans, or interests as described above, at a date certain not later than 1 year after such transfers or on demand, against the transfer of funds, or any other similar agreement;

''(II) does not include any repurchase obligation under a participation in a commercial mortgage loan unless the Agency determines by regulation, resolution, or order to include any such participation within the meaning of such term;

''(III) means any combination of agreements or transactions referred to in subclauses (I) and (IV);

''(IV) means any option to enter into any agreement or transaction referred to in subclause (I) or (III);

''(V) means a master agreement that provides for an agreement or transaction referred to in subclause (I), (III), or (IV), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a repurchase agreement under this clause, except that the master agreement shall be considered to be a repurchase agreement under this subclause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (III), or (IV); and

''(VI) means any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in subclause (I), (III), (IV), or (V), including any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in any such subclause.

For purposes of this clause, the term 'qualified foreign government security' means a security that is a direct obligation of, or that is fully guaranteed by, the central government of a member of the Organization for Economic Cooperation and Development (as determined by regulation or order adopted by the appropriate Federal banking authority).

''(vi) SWAP AGREEMENT.—The term 'swap agreement' means—

''(I) any agreement, including the terms and conditions incorporated by reference in any such agreement, which is an interest rate swap, option, future, or forward agreement, including a rate floor, rate cap, rate collar, cross-currency rate swap, and basis swap; a spot, same day-tomorrow, tomorrow-next, forward, or other foreign exchange or precious metals agreement; a currency swap, option, future, or forward agreement; an equity index or equity swap, option, future, or forward agreement; a debt index or debt swap, option, future, or forward agreement; a total return, credit spread or credit swap, option, future, or forward agreement; a commodity index or commodity swap, option, future, or forward agreement; or a weather swap, weather derivative, or weather option;

''(II) any agreement or transaction that is similar to any other agreement or transaction referred to in this clause and that is of a type that has been, is presently, or in the future becomes, the subject of recurrent dealings in the swap markets (including terms and conditions incorporated by reference in such agreement) and that is a forward, swap, future, or option on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, quantitative measures associated with an occurrence, extent of an occurrence, or contingency associated with a financial, commercial, or economic consequence, or economic or financial indices or measures of economic or financial risk or value;

''(III) any combination of agreements or transactions referred to in this clause;

''(IV) any option to enter into any agreement or transaction referred to in this clause;

''(V) a master agreement that provides for an agreement or transaction referred to in subclause (I), (II), (III), or (IV), together with all supplements to any such master agreement, without regard to whether the master agreement contains an agreement or transaction that is not a swap agreement under this clause, except that the master agreement shall be considered to be a swap agreement under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), (III), or (IV); and

''(VI) any security agreement or arrangement or other credit enhancement related to any agreements or transactions referred to in subclause (I), (II), (III), (IV), or (V), including any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in any such subclause.

Such term is applicable for purposes of this subsection only and shall not be construed or applied so as to challenge or affect the characterization, definition, or treatment of any swap agreement under any other statute, regulation, or rule, including the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Company Act of 1940, the Investment Advisers Act of 1940, the Securities Investor Protection Act of 1970, the Commodity Exchange Act, the Gramm-Leach-Bliley Act, and the Legal Certainty for Bank Products Act of 2000.

''(vii) TREATMENT OF MASTER AGREEMENT AS ONE AGREEMENT.—Any master agreement for any contract or agreement described in any preceding clause of this subparagraph (or any master agreement for such master agreement or agreements), together with all supplements to such master agreement, shall be treated as a single agreement and a single qualified financial contract. If a master agreement contains provisions relating to agreements or transactions that are not themselves qualified financial contracts, the master agreement shall be deemed to be a qualified financial contract only with respect to those transactions that are themselves qualified financial contracts.

''(viii) TRANSFER.—The term 'transfer' means every mode, direct or indirect, absolute or conditional, voluntary or involuntary, of disposing of or parting with property or with an interest in property, including retention of title as a security interest and foreclosure of the regulated entity's equity of redemption.

''(E) CERTAIN PROTECTIONS IN EVENT OF APPOINTMENT OF CONSERVATOR.—Notwithstanding any other provision of this Act (other than paragraph (13) of this subsection), any other Federal law, or the law of any State, no person shall be stayed or prohibited from exercising—

''(i) any right such person has to cause the termination, liquidation, or acceleration of any qualified financial contract with a regulated entity in a conservatorship based upon a default under such financial contract which is enforceable under applicable noninsolvency law;

''(ii) any right under any security agreement or arrangement or other credit enhancement relating to one or more such qualified financial contracts; or

''(iii) any right to offset or net out any termination values, payment amounts, or other transfer obligations arising under or in connection with such qualified financial contracts.

''(F) CLARIFICATION.—No provision of law shall be construed as limiting the right or power of the Agency, or authorizing any court or agency to limit or delay, in any manner, the right or power of the Agency to transfer any qualified financial contract in accordance with paragraphs (9) and (10) of this subsection or to disaffirm or repudiate any such contract in accordance with subsection (d)(1) of this section.

''(G) WALKAWAY CLAUSES NOT EFFECTIVE.—

''(i) IN GENERAL.—Notwithstanding the provisions of subparagraphs (A) and (E), and sections 403 and 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, no walkaway clause shall be enforceable in a qualified financial contract of a regulated entity in default.

''(ii) WALKAWAY CLAUSE DEFINED.—For purposes of this subparagraph, the term 'walkaway clause' means a provision in a qualified financial contract that, after calculation of a value of a party's position or an amount due to or from 1 of the parties in accordance with its terms upon termination, liquidation, or acceleration of the qualified financial contract, either does not create a payment obligation of a party or extinguishes a payment obligation of a party in whole or in part solely because of such party's status as a nondefaulting party.

''(9) TRANSFER OF QUALIFIED FINANCIAL CONTRACTS.—In making any transfer of assets or liabilities of a regulated entity in default which includes any qualified financial contract, the conservator or receiver for such regulated entity shall either—

''(A) transfer to 1 person—

''(i) all qualified financial contracts between any person (or any affiliate of such person) and the regulated entity in default;

''(ii) all claims of such person (or any affiliate of such person) against such regulated entity under any such contract (other than any claim which, under the terms of any such contract, is subordinated to the claims of general unsecured creditors of such regulated entity);

''(iii) all claims of such regulated entity against such person (or any affiliate of such person) under any such contract; and

''(iv) all property securing or any other credit enhancement for any contract described in clause (i) or any claim described in clause (ii) or (iii) under any such contract; or

''(B) transfer none of the financial contracts, claims, or property referred to under subparagraph (A) (with respect to such person and any affiliate of such person).

''(10) NOTIFICATION OF TRANSFER.—

''(A) IN GENERAL.—If—

''(i) the conservator or receiver for a regulated entity in default makes any transfer of the assets and liabilities of such regulated entity, and

''(ii) the transfer includes any qualified financial contract,

the conservator or receiver shall notify any person who is a party to any such contract of such transfer by 5:00 p.m. (eastern time) on the business day following the date of the appointment of the receiver in the case of a receivership, or the business day following such transfer in the case of a conservatorship.

''(B) CERTAIN RIGHTS NOT ENFORCEABLE.—

''(i) RECEIVERSHIP.—A person who is a party to a qualified financial contract with a regulated entity may not exercise any right that such person has to terminate, liquidate, or net such contract under paragraph (8)(A) of this subsection or section 403 or 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, solely by reason of or incidental to the appointment of a receiver for the regulated entity (or the insolvency or financial condition of the regulated entity for which the receiver has been appointed)—

''(I) until 5:00 p.m. (eastern time) on the business day following the date of the appointment of the receiver; or

''(II) after the person has received notice that the contract has been transferred pursuant to paragraph (9)(A).

''(ii) CONSERVATORSHIP.—A person who is a party to a qualified financial contract with a regulated entity may not exercise any right that such person has to terminate, liquidate, or net such contract under paragraph (8)(E) of this subsection or section 403 or 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, solely by reason of or incidental to the appointment of a conservator for the regulated entity (or the insolvency or financial condition of the regulated entity for which the conservator has been appointed).

''(iii) NOTICE.—For purposes of this paragraph, the Agency as receiver or conservator of a regulated entity shall be deemed to have notified a person who is a party to a qualified financial contract with such regulated entity if the Agency has taken steps reasonably calculated to provide notice to such person by the time specified in subparagraph (A).

''(C) BUSINESS DAY DEFINED.—For purposes of this paragraph, the term 'business day' means any day other than any Saturday, Sunday, or any day on which either the New York Stock Exchange or the Federal Reserve Bank of New York is closed.

''(11) DISAFFIRMANCE OR REPUDIATION OF QUALIFIED FINANCIAL CONTRACTS.—In exercising the rights of disaffirmance or repudiation of a conservator or receiver with respect to any qualified financial contract to which a regulated entity is a party, the conservator or receiver for such institution shall either—

''(A) disaffirm or repudiate all qualified financial contracts between—

''(i) any person or any affiliate of such person; and

''(ii) the regulated entity in default; or

''(B) disaffirm or repudiate none of the qualified financial contracts referred to in subparagraph (A) (with respect to such person or any affiliate of such person).

''(12) CERTAIN SECURITY INTERESTS NOT AVOIDABLE.—No provision of this subsection shall be construed as permitting the avoidance of any legally enforceable or perfected security interest in any of the assets of any regulated entity, except where such an interest is taken in contemplation of the insolvency of the regulated entity, or with the intent to hinder, delay, or defraud the regulated entity or the creditors of such regulated entity.

''(13) AUTHORITY TO ENFORCE CONTRACTS.—

''(A) IN GENERAL.—Notwithstanding any provision of a contract providing for termination, default, acceleration, or exercise of rights upon, or solely by reason of, insolvency or the appointment of a conservator or receiver, the conservator or receiver may enforce any contract or regulated entity bond entered into by the regulated entity.

''(B) CERTAIN RIGHTS NOT AFFECTED.—No provision of this paragraph may be construed as impairing or affecting any right of the conservator or receiver to enforce or recover under a director's or officer's liability insurance contract or surety bond under other applicable law.

''(C) CONSENT REQUIREMENT.—

''(i) IN GENERAL.—Except as otherwise provided under this section, no person may exercise any right or power to terminate, accelerate, or declare a default under any contract to which a regulated entity is a party, or to obtain possession of or exercise control over any property of the regulated entity, or affect any contractual rights of the regulated entity, without the consent of the conservator or receiver, as appropriate, for a period of—

''(I) 45 days after the date of appointment of a conservator; or

''(II) 90 days after the date of appointment of a receiver.

''(ii) EXCEPTIONS.—This paragraph shall—

''(I) not apply to a director's or officer's liability insurance contract;

''(II) not apply to the rights of parties to any qualified financial contracts under subsection (d)(8); and

''(III) not be construed as permitting the conservator or receiver to fail to comply with otherwise enforceable provisions of such contracts.

''(14) SAVINGS CLAUSE.—The meanings of terms used in this subsection are applicable for purposes of this subsection only, and shall not be construed or applied so as to challenge or affect the characterization, definition, or treatment of any similar terms under any other statute, regulation, or rule, including the Gramm-Leach-Bliley Act, the Legal Certainty for Bank Products Act of 2000, the securities laws (as that term is defined in section 3(a)(47) of the Securities Exchange Act of 1934), and the Commodity Exchange Act.

''(15) EXCEPTION FOR FEDERAL RESERVE AND FEDERAL HOME LOAN BANKS.—No provision of this subsection shall apply with respect to—

''(A) any extension of credit from any Federal home loan bank or Federal Reserve Bank to any regulated entity; or

''(B) any security interest in the assets of the regulated entity securing any such extension of credit.

''(e) VALUATION OF CLAIMS IN DEFAULT.—

''(1) IN GENERAL.—Notwithstanding any other provision of Federal law or the law of any State, and regardless of the method which the Agency determines to utilize with respect to a regulated entity in default or in danger of default, including transactions authorized under subsection (i), this subsection shall govern the rights of the creditors of such regulated entity.

''(2) MAXIMUM LIABILITY.—The maximum liability of the Agency, acting as receiver or in any other capacity, to any person having a claim against the receiver or the regulated entity for which such receiver is appointed shall equal the lesser of—

''(A) the amount such claimant would have received if the Agency had liquidated the assets and liabilities of such regulated entity without exercising the authority of the Agency under subsection (i) of this section; or

''(B) the amount of proceeds realized from the performance of contracts or sale of the assets of the regulated entity.

''(f) LIMITATION ON COURT ACTION.—Except as provided in this section or at the request of the Director, no court may take any action to restrain or affect the exercise of powers or functions of the Agency as a conservator or a receiver.

''(g) LIABILITY OF DIRECTORS AND OFFICERS.—

''(1) IN GENERAL.—A director or officer of a regulated entity may be held personally liable for monetary damages in any civil action by, on behalf of, or at the request or direction of the Agency, which action is prosecuted wholly or partially for the benefit of the Agency—

''(A) acting as conservator or receiver of such regulated entity, or

''(B) acting based upon a suit, claim, or cause of action purchased from, assigned by, or otherwise conveyed by such receiver or conservator,

for gross negligence, including any similar conduct or conduct that demonstrates a greater disregard of a duty of care (than gross negligence) including intentional tortious conduct, as such terms are defined and determined under applicable State law.

''(2) NO LIMITATION.—Nothing in this paragraph shall impair or affect any right of the Agency under other applicable law.

''(h) DAMAGES.—In any proceeding related to any claim against a director, officer, employee, agent, attorney, accountant, appraiser, or any other party employed by or providing services to a regulated entity, recoverable damages determined to result from the improvident or otherwise improper use or investment of any assets of the regulated entity shall include principal losses and appropriate interest.

''(i) LIMITED-LIFE REGULATED ENTITIES.—

''(1) ORGANIZATION.—

''(A) PURPOSE.—If a regulated entity is in default, or if the Agency anticipates that a regulated entity will default, the Agency may organize a limited-life regulated entity with those powers and attributes of the regulated entity in default or in danger of default that the Director determines necessary, subject to the provisions of this subsection. The Director shall grant a temporary charter to the limited-life regulated entity, and the limited-life regulated entity shall operate subject to that charter.

''(B) AUTHORITIES.—Upon the creation of a limited-life regulated entity under subparagraph (A), the limited-life regulated entity may—

''(i) assume such liabilities of the regulated entity that is in default or in danger of default as the Agency may, in its discretion, determine to be appropriate, provided that the liabilities assumed shall not exceed the amount of assets of the limited-life regulated entity;

''(ii) purchase such assets of the regulated entity that is in default, or in danger of default, as the Agency may, in its discretion, determine to be appropriate; and

''(iii) perform any other temporary function which the Agency may, in its discretion, prescribe in accordance with this section.

''(2) CHARTER.—

''(A) CONDITIONS.—The Agency may grant a temporary charter if the Agency determines that the continued operation of the regulated entity in default or in danger of default is in the best interest of the national economy and the housing markets.

''(B) TREATMENT AS BEING IN DEFAULT FOR CERTAIN PURPOSES.—A limited-life regulated entity shall be treated as a regulated entity in default at such times and for such purposes as the Agency may, in its discretion, determine.

''(C) MANAGEMENT.—A limited-life regulated entity, upon the granting of its charter, shall be under the management of a board of directors consisting of not fewer than 5 nor more than 10 members appointed by the Agency.

''(D) BYLAWS.—The board of directors of a limited-life regulated entity shall adopt such bylaws as may be approved by the Agency.

''(3) CAPITAL STOCK.—No capital stock need be paid into a limited-life regulated entity by the Agency.

''(4) INVESTMENTS.—Funds of a limited-life regulated entity shall be kept on hand in cash, invested in obligations of the United States or obligations guaranteed as to principal and interest by the United States, or deposited with the Agency, or any Federal Reserve bank.

''(5) EXEMPT STATUS.—Notwithstanding any other provision of Federal or State law, the limited-life regulated entity, its franchise, property, and income shall be exempt from all taxation now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.

''(6) WINDING UP.—

''(A) IN GENERAL.—Subject to subparagraph (B), unless Congress authorizes the sale of the capital stock of the limited-life regulated entity, not later than 2 years after the date of its organization, the Agency shall wind up the affairs of the limited-life regulated entity.

''(B) EXTENSION.—The Director may, in the discretion of the Director, extend the status of the limited-life regulated entity for 3 additional 1-year periods.

''(7) TRANSFER OF ASSETS AND LIABILITIES.—

''(A) IN GENERAL.—

''(i) TRANSFER OF ASSETS AND LIABILITIES.—The Agency, as receiver, may transfer any assets and liabilities of a regulated entity in default, or in danger of default, to the limited-life regulated entity in accordance with paragraph (1).

''(ii) SUBSEQUENT TRANSFERS.—At any time after a charter is transferred to a limited-life regulated entity, the Agency, as receiver, may transfer any assets and liabilities of such regulated entity in default, or in danger in default, as the Agency may, in its discretion, determine to be appropriate in accordance with paragraph (1).

''(iii) EFFECTIVE WITHOUT APPROVAL.—The transfer of any assets or liabilities of a regulated entity in default, or in danger of default, transferred to a limited-life regulated entity shall be effective without any further approval under Federal or State law, assignment, or consent with respect thereto.

''(8) PROCEEDS.—To the extent that available proceeds from the limited-life regulated entity exceed amounts required to pay obligations, such proceeds may be paid to the regulated entity in default, or in danger of default.

''(9) POWERS.—

''(A) IN GENERAL.—Each limited-life regulated entity created under this subsection shall have all corporate powers of, and be subject to the same provisions of law as, the regulated entity in default or in danger of default to which it relates, except that—

''(i) the Agency may—

''(I) remove the directors of a limited-life regulated entity; and

''(II) fix the compensation of members of the board of directors and senior management, as determined by the Agency in its discretion, of a limited-life regulated entity;

''(ii) the Agency may indemnify the representatives for purposes of paragraph (1)(B), and the directors, officers, employees, and agents of a limited-life regulated entity on such terms as the Agency determines to be appropriate; and

''(iii) the board of directors of a limited-life regulated entity—

''(I) shall elect a chairperson who may also serve in the position of chief executive officer, except that such person shall not serve either as chairperson or as chief executive officer without the prior approval of the Agency; and

''(II) may appoint a chief executive officer who is not also the chairperson, except that such person shall not serve as chief executive officer without the prior approval of the Agency.

''(B) STAY OF JUDICIAL ACTION.—Any judicial action to which a limited-life regulated entity becomes a party by virtue of its acquisition of any assets or assumption of any liabilities of a regulated entity in default shall be stayed from further proceedings for a period of up to 45 days at the request of the limited-life regulated entity. Such period may be modified upon the consent of all parties.

''(10) OBTAINING OF CREDIT AND INCURRING OF DEBT.—

''(A) IN GENERAL.—The limited-life regulated entity may obtain unsecured credit and incur unsecured debt in the ordinary course of business.

''(B) INABILITY TO OBTAIN CREDIT.—If the limited-life regulated entity is unable to obtain unsecured credit the Director may authorize the obtaining of credit or the incurring of debt—

''(i) with priority over any or all administrative expenses;

''(ii) secured by a lien on property that is not otherwise subject to a lien; or

''(iii) secured by a junior lien on property that is subject to a lien.

''(C) LIMITATIONS.—

''(i) IN GENERAL.—The Director, after notice and a hearing, may authorize the obtaining of credit or the incurring of debt secured by a senior or equal lien on property that is subject to a lien (other than mortgages that collateralize the mortgage-backed securities issued or guaranteed by the regulated entity) only if—

''(I) the limited-life regulated entity is unable to obtain such credit otherwise; and

''(II) there is adequate protection of the interest of the holder of the lien on the property which such senior or equal lien is proposed to be granted.

''(ii) BURDEN OF PROOF.—In any hearing under this subsection, the Director has the burden of proof on the issue of adequate protection.

''(D) EFFECT ON DEBTS AND LIENS.—The reversal or modification on appeal of an authorization under this paragraph to obtain credit or incur debt, or of a grant under this section of a priority or a lien, does not affect the validity of any debt so incurred, or any priority or lien so granted, to an entity that extended such credit in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and the incurring of such debt, or the granting of such priority or lien, were stayed pending appeal.

''(11) ISSUANCE OF PREFERRED DEBT.—A limited-life regulated entity may, subject to the approval of the Director and subject to such terms and conditions as the Director may prescribe, issue notes, bonds, or other debt obligations of a class to which all other debt obligations of the limited-life regulated entity shall be subordinate in right and payment.

''(12) NO FEDERAL STATUS.—

''(A) AGENCY STATUS.—A limited-life regulated entity is not an agency, establishment, or instrumentality of the United States.

''(B) EMPLOYEE STATUS.—Representatives for purposes of paragraph (1)(B), interim directors, directors, officers, employees, or agents of a limited-life regulated entity are not, solely by virtue of service in any such capacity, officers or employees of the United States. Any employee of the Agency or of any Federal instrumentality who serves at the request of the Agency as a representative for purposes of paragraph (1)(B), interim director, director, officer, employee, or agent of a limited-life regulated entity shall not—

''(i) solely by virtue of service in any such capacity lose any existing status as an officer or employee of the United States for purposes of title 5, United States Code, or any other provision of law; or

''(ii) receive any salary or benefits for service in any such capacity with respect to a limited-life regulated entity in addition to such salary or benefits as are obtained through employment with the Agency or such Federal instrumentality.

''(13) ADDITIONAL POWERS.—In addition to any other powers granted under this subsection, a limited-life regulated entity may—

''(A) extend a maturity date or change in an interest rate or other term of outstanding securities;

''(B) issue securities of the limited-life regulated entity, for cash, for property, for existing securities, or in exchange for claims or interests, or for any other appropriate purposes; and

''(C) take any other action not inconsistent with this section.

''(j) OTHER EXEMPTIONS.—When acting as a receiver, the following provisions shall apply with respect to the Agency:

''(1) EXEMPTION FROM TAXATION.—The Agency, including its franchise, its capital, reserves, and surplus, and its income, shall be exempt from all taxation imposed by any State, country, municipality, or local taxing authority, except that any real property of the Agency shall be subject to State, territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed, except that, notwithstanding the failure of any person to challenge an assessment under State law of the value of such property, and the tax thereon, shall be determined as of the period for which such tax is imposed.

''(2) EXEMPTION FROM ATTACHMENT AND LIENS.—No property of the Agency shall be subject to levy, attachment, garnishment, foreclosure, or sale without the consent of the Agency, nor shall any involuntary lien attach to the property of the Agency.

''(3) EXEMPTION FROM PENALTIES AND FINES.—The Agency shall not be liable for any amounts in the nature of penalties or fines, including those arising from the failure of any person to pay any real property, personal property, probate, or recording tax or any recording or filing fees when due.

''(k) PROHIBITION OF CHARTER REVOCATION.—In no case may a receiver appointed pursuant to this section revoke, annul, or terminate the charter of a regulated entity.''.

(b) CONFORMING AMENDMENTS.—

(1) HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1992.—Subtitle B of title XIII of the Housing and Community Development Act of 1992 is amended by striking sections 1369 (12 U.S.C. 4619), 1369A (12 U.S.C. 4620), and 1369B (12 U.S.C. 4621).

(2) FEDERAL HOME LOAN BANKS.—Section 25 of the Federal Home Loan Bank Act (12 U.S.C. 1445) is amended to read as follows:

''SEC. 25. SUCCESSION OF FEDERAL HOME LOAN BANKS.

''Each Federal Home Loan Bank shall have succession until it is voluntarily merged with another Bank under this Act, or until it is merged, reorganized, rehabilitated, liquidated, or otherwise wound up by the Director in accordance with the provisions of section 1367 of the Housing and Community Development Act of 1992, or by further Act of Congress.''.

SEC. 155. CONFORMING AMENDMENTS.

Title XIII of the Housing and Community Development Act of 1992, as amended by the preceding provisions of this Act, is further amended—

(1) in sections 1365 (12 U.S.C. 4615) through 1369D (12 U.S.C. 4623), but not including section 1367 (12 U.S.C. 4617) as amended by section 154 of this Act—

(A) by striking ''An enterprise'' each place such term appears and inserting ''A regulated entity'';

(B) by striking ''an enterprise'' each place such term appears and inserting ''a regulated entity''; and

(C) by striking ''the enterprise'' each place such term appears and inserting ''the regulated entity'';

(2) in section 1366 (12 U.S.C. 4616)—

(A) in subsection (b)(7), by striking ''section 1369 (excluding subsection (a)(1) and (2))'' and inserting ''section 1367''; and

(B) in subsection (d), by striking ''the enterprises'' and inserting ''the regulated entities'';

(3) in section 1368(d) (12 U.S.C. 4618(d)), by striking ''Committee on Banking, Finance and Urban Affairs'' and inserting ''Committee on Financial Services'';

(4) in section 1369C (12 U.S.C. 4622)—

(A) in subsection (a)(4), by striking ''activities (including existing and new programs)'' and inserting ''activities, services, undertakings, and offerings (including existing and new products (as such term is defined in section 1321(f))''; and

(B) in subsection (c), by striking ''any enterprise'' and inserting ''any regulated entity''; and

(5) in subsections (a) and (d) of section 1369D, by striking ''section 1366 or 1367 or action under section 1369)'' each place such phrase appears and inserting ''section 1367)''.

Subtitle D—Enforcement Actions

SEC. 161. CEASE-AND-DESIST PROCEEDINGS.

Section 1371 of the Housing and Community Development Act of 1992 (12 U.S.C. 4631) is amended—

(1) by striking subsections (a) and (b) and inserting the following new subsections:

''(a) ISSUANCE FOR UNSAFE OR UNSOUND PRACTICES AND VIOLATIONS OF RULES OR LAWS.—If, in the opinion of the Director, a regulated entity or any regulated entity-affiliated party is engaging or has engaged, or the Director has reasonable cause to believe that the regulated entity or any regulated entity-affiliated party is about to engage, in an unsafe or unsound practice in conducting the business of the regulated entity or is violating or has violated, or the Director has reasonable cause to believe that the regulated entity or any regulated entity-affiliated party is about to violate, a law, rule, or regulation, or any condition imposed in writing by the Director in connection with the granting of any application or other request by the regulated entity or any written agreement entered into with the Director, the Director may issue and serve upon the regulated entity or such party a notice of charges in respect thereof. The Director may not, pursuant to this section, enforce compliance with any housing goal established under subpart B of part 2 of subtitle A of this title, with section 1336 or 1337 of this title, with subsection (m) or (n) of section 309 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(m), (n)), with subsection (e) or (f) of section 307 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1456(e), (f)), or with paragraph (5) of section 10(j) of the Federal Home Loan Bank Act (12 U.S.C. 1430(j)).

''(b) ISSUANCE FOR UNSATISFACTORY RATING.—If a regulated entity receives, in its most recent report of examination, a less-than-satisfactory rating for asset quality, management, earnings, or liquidity, the Director may (if the deficiency is not corrected) deem the regulated entity to be engaging in an unsafe or unsound practice for purposes of this subsection.'';

(2) in subsection (c)(2), by striking ''enterprise, executive officer, or director'' and inserting ''regulated entity or regulated entity-affiliated party''; and

(3) in subsection (d)—

(A) in the matter preceding paragraph (1), by striking ''enterprise, executive officer, or director'' and inserting ''regulated entity or regulated entity-affiliated party'';

(B) in paragraph (1)—

(i) by striking ''an executive officer or a director'' and inserting ''a regulated entity affiliated party''; and

(ii) by inserting ''(including reimbursement of compensation under section 1318)'' after ''reimbursement'';

(C) in paragraph (6), by striking ''and'' at the end;

(D) by redesignating paragraph (7) as paragraph (8); and

(E) by inserting after paragraph (6) the following new paragraph:

''(7) to effect an attachment on a regulated entity or regulated entity-affiliated party subject to an order under this section or section 1372; and''.

SEC. 162. TEMPORARY CEASE-AND-DESIST PROCEEDINGS.

Section 1372 of the Housing and Community Development Act of 1992 (12 U.S.C. 4632) is amended—

(1) by striking subsection (a) and inserting the following new subsection:

''(a) GROUNDS FOR ISSUANCE.—Whenever the Director determines that the violation or threatened violation or the unsafe or unsound practice or practices specified in the notice of charges served upon the regulated entity or any regulated entity-affiliated party pursuant to section 1371(a), or the continuation thereof, is likely to cause insolvency or significant dissipation of assets or earnings of the regulated entity, or is likely to weaken the condition of the regulated entity prior to the completion of the proceedings conducted pursuant to sections 1371 and 1373, the Director may issue a temporary order requiring the regulated entity or such party to cease and desist from any such violation or practice and to take affirmative action to prevent or remedy such insolvency, dissipation, condition, or prejudice pending completion of such proceedings. Such order may include any requirement authorized under section 1371(d).'';

(2) in subsection (b), by striking ''enterprise, executive officer, or director'' and inserting ''regulated entity or regulated entity-affiliated party'';

(3) in subsection (d)—

(A) by striking ''An enterprise, executive officer, or director'' and inserting ''A regulated entity or regulated entity-affiliated party''; and

(B) by striking ''the enterprise, executive officer, or director'' and inserting ''the regulated entity or regulated entity-affiliated party''; and

(4) by striking subsection (e) and in inserting the following new subsection:

''(e) ENFORCEMENT.—In the case of violation or threatened violation of, or failure to obey, a temporary cease-and-desist order issued pursuant to this section, the Director may apply to the United States District Court for the District of Columbia or the United States district court within the jurisdiction of which the headquarters of the regulated entity is located, for an injunction to enforce such order, and, if the court determines that there has been such violation or threatened violation or failure to obey, it shall be the duty of the court to issue such injunction.''.

SEC. 163. PREJUDGMENT ATTACHMENT.

The Housing and Community Development Act of 1992 is amended by inserting after section 1375 (12 U.S.C. 4635) the following new section:

''SEC. 1375A. PREJUDGMENT ATTACHMENT.

''(a) IN GENERAL.—In any action brought pursuant to this title, or in actions brought in aid of, or to enforce an order in, any administrative or other civil action for money damages, restitution, or civil money penalties brought pursuant to this title, the court may, upon application of the Director or Attorney General, as applicable, issue a restraining order that—

''(1) prohibits any person subject to the proceeding from withdrawing, transferring, removing, dissipating, or disposing of any funds, assets or other property; and

''(2) appoints a person on a temporary basis to administer the restraining order.

''(b) STANDARD.—

''(1) SHOWING.—Rule 65 of the Federal Rules of Civil Procedure shall apply with respect to any proceeding under subsection (a) without regard to the requirement of such rule that the applicant show that the injury, loss, or damage is irreparable and immediate.

''(2) STATE PROCEEDING.—If, in the case of any proceeding in a State court, the court determines that rules of civil procedure available under the laws of such State provide substantially similar protections to a party's right to due process as Rule 65 (as modified with respect to such proceeding by paragraph (1)), the relief sought under subsection (a) may be requested under the laws of such State.''.

SEC. 164. ENFORCEMENT AND JURISDICTION.

Section 1375 of the Housing and Community Development Act of 1992 (12 U.S.C. 4635) is amended—

(1) by striking subsection (a) and inserting the following new subsection:

''(a) ENFORCEMENT.—The Director may, in the discretion of the Director, apply to the United States District Court for the District of Columbia, or the United States district court within the jurisdiction of which the headquarters of the regulated entity is located, for the enforcement of any effective and outstanding notice or order issued under this subtitle or subtitle B, or request that the Attorney General of the United States bring such an action. Such court shall have jurisdiction and power to order and require compliance with such notice or order.''; and

(2) in subsection (b), by striking ''or 1376'' and inserting ''1376, or 1377''.

SEC. 165. CIVIL MONEY PENALTIES.

Section 1376 of the Housing and Community Development Act of 1992 (12 U.S.C. 4636) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking '', or any executive officer or director'' and inserting ''or any regulated-entity affiliated party''; and

(B) in paragraph (1)—

(i) by striking ''the Federal National Mortgage Association Charter Act, the Federal Home Loan Mortgage Corporation Act'' and inserting ''any provision of any of the authorizing statutes'';

(ii) by striking ''or Act'' and inserting ''or statute'';

(iii) by striking ''or subsection'' and inserting '', subsection''; and

(iv) by inserting '', or paragraph (5) or (12) of section 10(j) of the Federal Home Loan Bank Act'' before the semicolon at the end;

(2) by striking subsection (b) and inserting the following new subsection:

''(b) AMOUNT OF PENALTY.—

''(1) FIRST TIER.—Any regulated entity which, or any regulated entity-affiliated party who—

''(A) violates any provision of this title, any provision of any of the authorizing statutes, or any order, condition, rule, or regulation under any such title or statute, except that the Director may not, pursuant to this section, enforce compliance with any housing goal established under subpart B of part 2 of subtitle A of this title, with section 1336 or 1337 of this title, with subsection (m) or (n) of section 309 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(m), (n)), with subsection (e) or (f) of section 307 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1456(e), (f)), or with paragraph (5) or (12) of section 10(j) of the Federal Home Loan Bank Act;

''(B) violates any final or temporary order or notice issued pursuant to this title;

''(C) violates any condition imposed in writing by the Director in connection with the grant of any application or other request by such regulated entity; or

''(D) violates any written agreement between the regulated entity and the Director,

shall forfeit and pay a civil money penalty of not more than $10,000 for each day during which such violation continues.

''(2) SECOND TIER.—Notwithstanding paragraph (1)—

''(A) if a regulated entity, or a regulated entity-affiliated party—

''(i) commits any violation described in any subparagraph of paragraph (1);

''(ii) recklessly engages in an unsafe or unsound practice in conducting the affairs of such regulated entity; or

''(iii) breaches any fiduciary duty; and

''(B) the violation, practice, or breach—

''(i) is part of a pattern of misconduct;

''(ii) causes or is likely to cause more than a minimal loss to such regulated entity; or

''(iii) results in pecuniary gain or other benefit to such party,

the regulated entity or regulated entity-affiliated party shall forfeit and pay a civil penalty of not more than $50,000 for each day during which such violation, practice, or breach continues.

''(3) THIRD TIER.—Notwithstanding paragraphs (1) and (2), any regulated entity which, or any regulated entity-affiliated party who—

''(A) knowingly—

''(i) commits any violation or engages in any conduct described in any subparagraph of paragraph (1);

''(ii) engages in any unsafe or unsound practice in conducting the affairs of such regulated entity; or

''(iii) breaches any fiduciary duty; and

''(B) knowingly or recklessly causes a substantial loss to such regulated entity or a substantial pecuniary gain or other benefit to such party by reason of such violation, practice, or breach,

shall forfeit and pay a civil penalty in an amount not to exceed the applicable maximum amount determined under paragraph (4) for each day during which such violation, practice, or breach continues.

''(4) MAXIMUM AMOUNTS OF PENALTIES FOR ANY VIOLATION DESCRIBED IN PARAGRAPH (3).—The maximum daily amount of any civil penalty which may be assessed pursuant to paragraph (3) for any violation, practice, or breach described in such paragraph is—

''(A) in the case of any person other than a regulated entity, an amount not to exceed $2,000,000; and

''(B) in the case of any regulated entity, $2,000,000.'';

(3) in subsection (c)(1)(B), by striking ''enterprise, executive officer, or director'' and inserting ''regulated entity or regulated entity-affiliated party'';

(4) in subsection (d), by striking the first sentence and inserting the following: ''If a regulated entity or regulated entity-affiliated party fails to comply with an order of the Director imposing a civil money penalty under this section, after the order is no longer subject to review as provided under subsection (c)(1) and section 1374, the Director may, in the discretion of the Director, bring an action in the United States District Court for the District of Columbia, or the United States district court within the jurisdiction of which the headquarters of the regulated entity is located, to obtain a monetary judgment against the regulated entity or regulated entity affiliated party and such other relief as may be available, or request that the Attorney General of the United States bring such an action.''; and

(5) in subsection (g), by striking ''subsection (b)(3)'' and inserting ''this section, unless authorized by the Director by rule, regulation, or order''.

SEC. 166. REMOVAL AND PROHIBITION AUTHORITY.

(a) IN GENERAL.—Subtitle C of title XIII of the Housing and Community Development Act of 1992 is amended—

(1) by redesignating sections 1377, 1378, 1379, 1379A, and 1379B (12 U.S.C. 4637–41) as sections 1379, 1379A, 1379B, 1379C, and 1379D, respectively; and

(2) by inserting after section 1376 (12 U.S.C. 4636) the following new section:

''SEC. 1377. REMOVAL AND PROHIBITION AUTHORITY.

''(a) AUTHORITY TO ISSUE ORDER.—Whenever the Director determines that—

''(1) any regulated entity-affiliated party has, directly or indirectly—

''(A) violated—

''(i) any law or regulation;

''(ii) any cease-and-desist order which has become final;

''(iii) any condition imposed in writing by the Director in connection with the grant of any application or other request by such regulated entity; or

''(iv) any written agreement between such regulated entity and the Director;

''(B) engaged or participated in any unsafe or unsound practice in connection with any regulated entity; or

''(C) committed or engaged in any act, omission, or practice which constitutes a breach of such party's fiduciary duty;

''(2) by reason of the violation, practice, or breach described in any subparagraph of paragraph (1)—

''(A) such regulated entity has suffered or will probably suffer financial loss or other damage; or

''(B) such party has received financial gain or other benefit by reason of such violation, practice, or breach; and

''(3) such violation, practice, or breach—

''(A) involves personal dishonesty on the part of such party; or

''(B) demonstrates willful or continuing disregard by such party for the safety or soundness of such regulated entity, the Director may serve upon such party a written notice of the Director's intention to remove such party from office or to prohibit any further participation by such party, in any manner, in the conduct of the affairs of any regulated entity.

''(b) SUSPENSION ORDER.—

''(1) SUSPENSION OR PROHIBITION AUTHORITY.—If the Director serves written notice under subsection (a) to any regulated entity-affiliated party of the Director's intention to issue an order under such subsection, the Director may—

''(A) suspend such party from office or prohibit such party from further participation in any manner in the conduct of the affairs of the regulated entity, if the Director—

''(i) determines that such action is necessary for the protection of the regulated entity; and

''(ii) serves such party with written notice of the suspension order; and

''(B) prohibit the regulated entity from releasing to or on behalf of the regulated entity-affiliated party any compensation or other payment of money or other thing of current or potential value in connection with any resignation, removal, retirement, or other termination of employment or office of the party.

''(2) EFFECTIVE PERIOD.—Any suspension order issued under this subsection—

''(A) shall become effective upon service; and

''(B) unless a court issues a stay of such order under subsection (g) of this section, shall remain in effect and enforceable until—

''(i) the date the Director dismisses the charges contained in the notice served under subsection (a) with respect to such party; or

''(ii) the effective date of an order issued by the Director to such party under subsection (a).

''(3) COPY OF ORDER.—If the Director issues a suspension order under this subsection to any regulated entity-affiliated party, the Director shall serve a copy of such order on any regulated entity with which such party is affiliated at the time such order is issued.

''(c) NOTICE, HEARING, AND ORDER.—A notice of intention to remove a regulated entity-affiliated party from office or to prohibit such party from participating in the conduct of the affairs of a regulated entity shall contain a statement of the facts constituting grounds for such action, and shall fix a time and place at which a hearing will be held on such action. Such hearing shall be fixed for a date not earlier than 30 days nor later than 60 days after the date of service of such notice, unless an earlier or a later date is set by the Director at the request of (1) such party, and for good cause shown, or (2) the Attorney General of the United States. Unless such party shall appear at the hearing in person or by a duly authorized representative, such party shall be deemed to have consented to the issuance of an order of such removal or prohibition. In the event of such consent, or if upon the record made at any such hearing the Director shall find that any of the grounds specified in such notice have been established, the Director may issue such orders of suspension or removal from office, or prohibition from participation in the conduct of the affairs of the regulated entity, as it may deem appropriate, together with an order prohibiting compensation described in subsection (b)(1)(B). Any such order shall become effective at the expiration of 30 days after service upon such regulated entity and such party (except in the case of an order issued upon consent, which shall become effective at the time specified therein). Such order shall remain effective and enforceable except to such extent as it is stayed, modified, terminated, or set aside by action of the Director or a reviewing court.

''(d) PROHIBITION OF CERTAIN SPECIFIC ACTIVITIES.—Any person subject to an order issued under this section shall not—

''(1) participate in any manner in the conduct of the affairs of any regulated entity;

''(2) solicit, procure, transfer, attempt to transfer, vote, or attempt to vote any proxy, consent, or authorization with respect to any voting rights in any regulated entity;

''(3) violate any voting agreement previously approved by the Director; or

''(4) vote for a director, or serve or act as a regulated entity-affiliated party.

''(e) INDUSTRY-WIDE PROHIBITION.—

''(1) IN GENERAL.—Except as provided in paragraph (2), any person who, pursuant to an order issued under this section, has been removed or suspended from office in a regulated entity or prohibited from participating in the conduct of the affairs of a regulated entity may not, while such order is in effect, continue or commence to hold any office in, or participate in any manner in the conduct of the affairs of, any regulated entity.

''(2) EXCEPTION IF DIRECTOR PROVIDES WRITTEN CONSENT.—If, on or after the date an order is issued under this section which removes or suspends from office any regulated entity-affiliated party or prohibits such party from participating in the conduct of the affairs of a regulated entity, such party receives the written consent of the Director, the order shall, to the extent of such consent, cease to apply to such party with respect to the regulated entity described in the written consent. If the Director grants such a written consent, it shall publicly disclose such consent.

''(3) VIOLATION OF PARAGRAPH (1) TREATED AS VIOLATION OF ORDER.—Any violation of paragraph (1) by any person who is subject to an order described in such subsection shall be treated as a violation of the order.

''(f) APPLICABILITY.—This section shall only apply to a person who is an individual, unless the Director specifically finds that it should apply to a corporation, firm, or other business enterprise.

''(g) STAY OF SUSPENSION AND PROHIBITION OF REGULATED ENTITY-AFFILIATED PARTY.—Within 10 days after any regulated entity-affiliated party has been suspended from office and/or prohibited from participation in the conduct of the affairs of a regulated entity under this section, such party may apply to the United States District Court for the District of Columbia, or the United States district court for the judicial district in which the headquarters of the regulated entity is located, for a stay of such suspension and/or prohibition and any prohibition under subsection (b)(1)(B) pending the completion of the administrative proceedings pursuant to the notice served upon such party under this section, and such court shall have jurisdiction to stay such suspension and/or prohibition.

''(h) SUSPENSION OR REMOVAL OF REGULATED ENTITY-AFFILIATED PARTY CHARGED WITH FELONY.—

''(1) SUSPENSION OR PROHIBITION.—

''(A) IN GENERAL.—Whenever any regulated entity-affiliated party is charged in any information, indictment, or complaint, with the commission of or participation in a crime involving dishonesty or breach of trust which is punishable by imprisonment for a term exceeding one year under State or Federal law, the Director may, if continued service or participation by such party may pose a threat to the regulated entity or impair public confidence in the regulated entity, by written notice served upon such party—

''(i) suspend such party from office or prohibit such party from further participation in any manner in the conduct of the affairs of any regulated entity; and

''(ii) prohibit the regulated entity from releasing to or on behalf of the regulated entity-affiliated party any compensation or other payment of money or other thing of current or potential value in connection with the period of any such suspension or with any resignation, removal, retirement, or other termination of employment or office of the party.

''(B) PROVISIONS APPLICABLE TO NOTICE.—

''(i) COPY.—A copy of any notice under paragraph (1)(A) shall also be served upon the regulated entity.

''(ii) EFFECTIVE PERIOD.—A suspension or prohibition under subparagraph (A) shall remain in effect until the information, indictment, or complaint referred to in such subparagraph is finally disposed of or until terminated by the Director.

''(2) REMOVAL OR PROHIBITION.—

''(A) IN GENERAL.—If a judgment of conviction or an agreement to enter a pretrial diversion or other similar program is entered against a regulated entity-affiliated party in connection with a crime described in paragraph (1)(A), at such time as such judgment is not subject to further appellate review, the Director may, if continued service or participation by such party may pose a threat to the regulated entity or impair public confidence in the regulated entity, issue and serve upon such party an order that—

''(i) removes such party from office or prohibits such party from further participation in any manner in the conduct of the affairs of the regulated entity without the prior written consent of the Director; and

''(ii) prohibits the regulated entity from releasing to or on behalf of the regulated entity-affiliated party any compensation or other payment of money or other thing of current or potential value in connection with the termination of employment or office of the party.

''(B) PROVISIONS APPLICABLE TO ORDER.—

''(i) COPY.—A copy of any order under paragraph (2)(A) shall also be served upon the regulated entity, whereupon the regulated entity-affiliated party who is subject to the order (if a director or an officer) shall cease to be a director or officer of such regulated entity.

''(ii) EFFECT OF ACQUITTAL.—A finding of not guilty or other disposition of the charge shall not preclude the Director from instituting proceedings after such finding or disposition to remove such party from office or to prohibit further participation in regulated entity affairs, and to prohibit compensation or other payment of money or other thing of current or potential value in connection with any resignation, removal, retirement, or other termination of employment or office of the party, pursuant to subsections (a), (d), or (e) of this section.

''(iii) EFFECTIVE PERIOD.—Any notice of suspension or order of removal issued under this subsection shall remain effective and outstanding until the completion of any hearing or appeal authorized under paragraph (4) unless terminated by the Director.

''(3) AUTHORITY OF REMAINING BOARD MEMBERS.—If at any time, because of the suspension of one or more directors pursuant to this section, there shall be on the board of directors of a regulated entity less than a quorum of directors not so suspended, all powers and functions vested in or exercisable by such board shall vest in and be exercisable by the director or directors on the board not so suspended, until such time as there shall be a quorum of the board of directors. In the event all of the directors of a regulated entity are suspended pursuant to this section, the

Director shall appoint persons to serve temporarily as directors in their place and stead pending the termination of such suspensions, or until such time as those who have been suspended cease to be directors of the regulated entity and their respective successors take office.

''(4) HEARING REGARDING CONTINUED PARTICIPATION.—Within 30 days from service of any notice of suspension or order of removal issued pursuant to paragraph (1) or (2) of this subsection, the regulated entity-affiliated party concerned may request in writing an opportunity to appear before the Director to show that the continued service to or participation in the conduct of the affairs of the regulated entity by such party does not, or is not likely to, pose a threat to the interests of the regulated entity or threaten to impair public confidence in the regulated entity. Upon receipt of any such request, the Director shall fix a time (not more than 30 days after receipt of such request, unless extended at the request of such party) and place at which such party may appear, personally or through counsel, before one or more members of the Director or designated employees of the Director to submit written materials (or, at the discretion of the Director, oral testimony) and oral argument. Within 60 days of such hearing, the Director shall notify such party whether the suspension or prohibition from participation in any manner in the conduct of the affairs of the regulated entity will be continued, terminated, or otherwise modified, or whether the order removing such party from office or prohibiting such party from further participation in any manner in the conduct of the affairs of the regulated entity, and prohibiting compensation in connection with termination will be rescinded or otherwise modified. Such notification shall contain a statement of the basis for the Director's decision, if adverse to such party. The Director is authorized to prescribe such rules as may be necessary to effectuate the purposes of this subsection.

''(i) HEARINGS AND JUDICIAL REVIEW.—

''(1) VENUE AND PROCEDURE.—Any hearing provided for in this section shall be held in the District of Columbia or in the Federal judicial district in which the headquarters of the regulated entity is located, unless the party afforded the hearing consents to another place, and shall be conducted in accordance with the provisions of chapter 5 of title 5, United States Code. After such hearing, and within 90 days after the Director has notified the parties that the case has been submitted to it for final decision, it shall render its decision (which shall include findings of fact upon which its decision is predicated) and shall issue and serve upon each party to the proceeding an order or orders consistent with the provisions of this section. Judicial review of any such order shall be exclusively as provided in this subsection. Unless a petition for review is timely filed in a court of appeals of the United States, as provided in paragraph (2), and thereafter until the record in the proceeding has been filed as so provided, the Director may at any time, upon such notice and in such manner as it shall deem proper, modify, terminate, or set aside any such order. Upon such filing of the record, the Director may modify, terminate, or set aside any such order with permission of the court.

''(2) REVIEW OF ORDER.—Any party to any proceeding under paragraph (1) may obtain a review of any order served pursuant to paragraph (1) (other than an order issued with the consent of the regulated entity or the regulated entity-affiliated party concerned, or an order issued under subsection (h) of this section) by the filing in the United States Court of Appeals for the District of Columbia Circuit or court of appeals of the United States for the circuit in which the headquarters of the regulated entity is located, within 30 days after the date of service of such order, a written petition praying that the order of the Director be modified, terminated, or set aside. A copy of such petition shall be forthwith transmitted by the clerk of the court to the Director, and thereupon the Director shall file in the court the record in the proceeding, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, such court shall have jurisdiction, which upon the filing of the record shall (except as provided in the last sentence of paragraph (1)) be exclusive, to affirm, modify, terminate, or set aside, in whole or in part, the order of the Director. Review of such proceedings shall be had as provided in chapter 7 of title 5, United States Code. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari, as provided in section 1254 of title 28, United States Code.

''(3) PROCEEDINGS NOT TREATED AS STAY.—The commencement of proceedings for judicial review under paragraph (2) shall not, unless specifically ordered by the court, operate as a stay of any order issued by the Director.''.

(b) CONFORMING AMENDMENTS.—

(1) 1992 ACT.—Section 1317(f) of the Housing and Community Development Act of 1992 (12 U.S.C. 4517(f)) is amended by striking ''section 1379B'' and inserting ''section 1379D''.

(2) FANNIE MAE CHARTER ACT.—The second sentence of subsection (b) of section 308 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723(b)) is amended by striking ''The'' and inserting ''Except to the extent that action under section 1377 of the Housing and Community Development Act of 1992 temporarily results in a lesser number, the''.

(3) FREDDIE MAC ACT.—The second sentence of subparagraph (A) of section 303(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(a)(2)(A)) is amended by striking ''The'' and inserting ''Except to the extent that action under section 1377 of the Housing and Community Development Act of 1992 temporarily results in a lesser number, the''.

SEC. 167. CRIMINAL PENALTY.

Subtitle C of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4631 et seq.) is amended by inserting after section 1377 (as added by the preceding provisions of this Act) the following new section:

''SEC. 1378. CRIMINAL PENALTY.

''Whoever, being subject to an order in effect under section 1377, without the prior written approval of the Director, knowingly participates, directly or indirectly, in any manner (including by engaging in an activity specifically prohibited in such an order) in the conduct of the affairs of any regulated entity shall, notwithstanding section 3571 of title 18, be fined not more than $1,000,000, imprisoned for not more than 5 years, or both.''.

SEC. 168. SUBPOENA AUTHORITY.

Section 1379D(c) of the Housing and Community Development Act of 1992 (12 U.S.C. 4641(c)), as so redesignated by section 166(a)(1) of this Act, is further amended—

(1) by striking ''request the Attorney General of the United States to'' and inserting '', in the discretion of the Director,'';

(2) by inserting ''or request that the Attorney General of the United States bring such an action,'' after ''District of Columbia,''; and

(3) by striking ''or may, under the direction and control of the Attorney General, bring such an action''.

SEC. 169. CONFORMING AMENDMENTS.

Subtitle C of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4631 et seq.), as amended by the preceding provisions of this Act, is amended—

(1) in section 1372(c)(1) (12 U.S.C. 4632(c)), by striking ''that enterprise'' and inserting ''that regulated entity'';

(2) in section 1379 (12 U.S.C. 4637), as so redesignated by section 166(a)(1) of this Act—

(A) by inserting '', or of a regulated entity-affiliated party,'' before ''shall not affect''; and

(B) by striking ''such director or executive officer'' each place such term appears and inserting ''such director, executive officer, or regulated entity-affiliated party'';

(3) in section 1379A (12 U.S.C. 4638), as so redesignated by section 166(a)(1) of this Act, by inserting ''or against a regulated entity-affiliated party,'' before ''or impair'';

(4) by striking ''An enterprise'' each place such term appears in such subtitle and inserting ''A regulated entity'';

(5) by striking ''an enterprise'' each place such term appears in such subtitle and inserting ''a regulated entity'';

(6) by striking ''the enterprise'' each place such term appears in such subtitle and inserting ''the regulated entity''; and

(7) by striking ''any enterprise'' each place such term appears in such subtitle and inserting ''any regulated entity''.

Subtitle E—General Provisions

SEC. 181. BOARDS OF ENTERPRISES.

(a) FANNIE MAE.—

(1) IN GENERAL.—Section 308(b) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723(b)) is amended—

(A) in the first sentence, by striking ''eighteen persons, five of whom shall be appointed annually by the President of the United States, and the remainder of whom'' and inserting ''13 persons, or such other number that the Director determines appropriate, who'';

(B) in the second sentence, by striking ''appointed by the President'';

(C) in the third sentence—

(i) by striking ''appointed or''; and

(ii) by striking '', except that any such appointed member may be removed from office by the President for good cause'';

(D) in the fourth sentence, by striking ''elective''; and

(E) by striking the fifth sentence.

(2) TRANSITIONAL PROVISION.—The amendments made by paragraph (1) shall not apply to any appointed position of the board of directors of the Federal National Mortgage Association until the expiration of the annual term for such position during which the effective date under Section 185 occurs.

(b) FREDDIE MAC.—

(1) IN GENERAL.—Section 303(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(a)(2)) is amended—

(A) in subparagraph (A)—

(i) in the first sentence, by striking ''18 persons, 5 of whom shall be appointed annually by the President of the United States and the remainder of whom'' and inserting ''13 persons, or such other number as the Director determines appropriate, who''; and

(ii) in the second sentence, by striking ''appointed by the President of the United States'';

(B) in subparagraph (B)—

(i) by striking ''such or''; and

(ii) by striking '', except that any appointed member may be removed from office by the President for good cause''; and

(C) in subparagraph (C)—

(i) by striking the first sentence; and

(ii) by striking ''elective''.

(2) TRANSITIONAL PROVISION.—The amendments made by paragraph (1) shall not apply to any appointed position of the board of directors of the Federal Home Loan Mortgage Corporation until the expiration of the annual term for such position during which the effective date under Section 185 occurs.

SEC. 182. REPORT ON PORTFOLIO OPERATIONS, SAFETY AND SOUNDNESS, AND MISSION OF ENTERPRISES.

Not later than the expiration of the 12-month period beginning on the effective date under section 185, the Director of the Federal Housing Finance Agency shall submit a report to the Congress which shall include—

(1) a description of the portfolio holdings of the enterprises (as such term is defined in section 1303 of the Housing and Community Development Act of 1992 (12 U.S.C. 4502) in mortgages

(including whole loans and mortgage-backed securities), non-mortgages, and other assets;

(2) a description of the risk implications for the enterprises of such holdings and the consequent risk management undertaken by the enterprises (including the use of derivatives for hedging purposes), compared with off-balance sheet liabilities of the enterprises (including mortgage-backed securities guaranteed by the enterprises);

(3) an analysis of portfolio holdings for safety and soundness purposes;

(4) an assessment of whether portfolio holdings fulfill the mission purposes of the enterprises under the Federal National Mortgage Association Charter Act and the Federal Home Loan Mortgage Corporation Act; and

(5) an analysis of the potential systemic risk implications for the enterprises, the housing and capital markets, and the financial system of portfolio holdings, and whether such holdings should be limited or reduced over time.

SEC. 183. CONFORMING AND TECHNICAL AMENDMENTS.

(a) 1992 ACT.—Title XIII of the Housing and Community Development Act of 1992 is amended by striking section 1383 (12 U.S.C. 1451 note).

(b) TITLE 18, UNITED STATES CODE.—Section 1905 of title 18, United States Code, is amended by striking ''Office of Federal Housing Enterprise Oversight'' and inserting ''Federal Housing Finance Agency''.

(c) FLOOD DISASTER PROTECTION ACT OF 1973.—Section 102(f)(3)(A) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(f)(3)(A)) is amended by striking ''Director of the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development'' and inserting ''Director of the Federal Housing Finance Agency''.

(d) DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ACT.—Section 5 of the Department of Housing and Urban Development Act (42 U.S.C. 3534) is amended by striking subsection (d).

(e) TITLE 5, UNITED STATES CODE.—

(1) DIRECTOR'S PAY RATE.—Section 5313 of title 5, United States Code, is amended by striking the item relating to the Director of the Office of Federal Housing Enterprise Oversight, Department of Housing and Urban Development and inserting the following new item:

''Director of the Federal Housing Finance Agency.''.

(2) EXCLUSION FROM SENIOR EXECUTIVE SERVICE.—Section 3132(a)(1)(D) of title 5, United States Code, is amended—

(A) by striking ''the Federal Housing Finance Board,''; and

(B) by striking ''the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development'' and inserting ''the Federal Housing Finance Agency''.

(f) INSPECTOR GENERAL ACT OF 1978.—Section 8G(a)(2) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended by striking ''Federal Housing Finance Board'' and inserting ''Federal Housing Finance Agency''.

(g) FEDERAL DEPOSIT INSURANCE ACT.—Section 11(t)(2)(A) of the Federal Deposit Insurance Act (12 U.S.C.1821(t)(2)(A)) is amended by adding at the end the following new clause:

''(vii) The Federal Housing Finance Agency.''.

(h) 1997 EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT.—Section 10001 of the 1997 Emergency Supplemental Appropriations Act for Recovery From Natural Disasters, and for Overseas Peacekeeping Efforts, Including Those In Bosnia (42 U.S.C. 3548) is amended—

(1) by striking ''the Government National Mortgage Association, and the Office of Federal Housing Enterprise Oversight'' and inserting ''and the Government National Mortgage Association''; and

(2) by striking '', the Government National Mortgage Association, or the Office of Federal Housing Enterprise Oversight'' and inserting ''or the Government National Mortgage Association''.

(i) NATIONAL HOMEOWNERSHIP TRUST ACT.—Section 302(b)(4) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12851(b)(4)) is amended by striking ''the chairperson of the Federal Housing Finance Board'' and inserting ''the Director of the Federal Housing Finance Agency''.

SEC. 184. STUDY OF ALTERNATIVE SECONDARY MARKET SYSTEMS.

(a) IN GENERAL.—The Director of the Federal Housing Finance Agency, in consultation with the Board of Governors of the Federal Reserve System, the Secretary of the Treasury, and the Secretary of Housing and Urban Development, shall conduct a comprehensive study of the effects on financial and housing finance markets of alternatives to the current secondary market system for housing finance, taking into consideration changes in the structure of financial and housing finance markets and institutions since the creation of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(b) CONTENTS.—The study under this section shall—

(1) include, among the alternatives to the current secondary market system analyzed—

(A) repeal of the chartering Acts for the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation;

(B) establishing bank-like mechanisms for granting new charters for limited purposed mortgage securitization entities;

(C) permitting the Director of the Federal Housing Finance Agency to grant new charters for limited purpose mortgage securitization entities, which shall include analyzing the terms on which such charters should be granted, including whether such charters should be sold, or whether such charters and the charters for the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation should be taxed or otherwise assessed a monetary price; and

(D) such other alternatives as the Director considers appropriate;

(2) examine all of the issues involved in making the transition to a completely private secondary mortgage market system;

(3) examine the technological advancements the private sector has made in providing liquidity in the secondary mortgage market and how such advancements have affected liquidity in the secondary mortgage market; and

(4) examine how taxpayers would be impacted by each alternative system, including the complete privatization of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(c) REPORT.—The Director of the Federal Housing Finance Agency shall submit a report to the Congress on the study not later than the expiration of the 24-month period beginning on the effective date under section 185.

SEC. 185. EFFECTIVE DATE.

Except as specifically provided otherwise in this title, this title shall take effect on and the amendments made by this title shall take effect on, and shall apply beginning on, the expiration of the 6-month period beginning on the date of the enactment of this Act.

TITLE II—FEDERAL HOME LOAN BANKS

SEC. 201. DEFINITIONS.

Section 2 of the Federal Home Loan Bank Act (12 U.S.C. 1422) is amended—

(1) by striking paragraphs (1), (10), and (11);

(2) by redesignating paragraphs (2) through (9) as paragraphs (1) through (8), respectively;

(3) by redesignating paragraphs (12) and (13) as paragraphs (9) and (10), respectively; and

(4) by adding at the end the following:

''(11) DIRECTOR.—The term 'Director' means the Director of the Federal Housing Finance Agency.

''(12) AGENCY.—The term 'Agency' means the Federal Housing Finance Agency.''.

SEC. 202. DIRECTORS.

(a) ELECTION.—Section 7 of the Federal Home Loan Bank Act (12 U.S.C. 1427) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) NUMBER; ELECTION; QUALIFICATIONS; CONFLICTS OF INTEREST.—

''(1) IN GENERAL.—The management of each Federal Home Loan Bank shall be vested in a board of 13 directors, or such other number as the Director determines appropriate, each of whom shall be a citizen of the United States. All directors of a Bank who are not independent directors pursuant to paragraph (3) shall be elected by the members.

''(2) MEMBER DIRECTORS.—A majority of the directors of each Bank shall be officers or directors of a member of such Bank that is located in the district in which such Bank is located.

''(3) INDEPENDENT DIRECTORS.—At least two-fifths of the directors of each Bank shall be independent directors, who shall be appointed by the Director of the Federal Housing Finance Agency from a list of individuals recommended by the Federal Housing Enterprise Board, and shall meet the following criteria:

''(A) IN GENERAL.—Each independent director shall be a bona fide resident of the district in which such Bank is located.

''(B) PUBLIC INTEREST DIRECTORS.—At least 2 of the independent directors under this paragraph of each Bank shall be representatives chosen from organizations with more than a 2-year history of representing consumer or community interests on banking services, credit needs, housing, community development, economic development, or financial consumer protections.

''(C) OTHER DIRECTORS.—

''(i) QUALIFICATIONS.—Each independent director that is not a public interest director under subparagraph (B) shall have demonstrated knowledge of, or experience in, financial management, auditing and accounting, risk management practices, derivatives, project development, or organizational management, or such other knowledge or expertise as the Director may provide by regulation.

''(ii) CONSULTATION WITH BANKS.—In appointing other directors to serve on the board of a Federal home loan bank, the Director of the Federal Housing Finance Agency may consult with each Federal home loan bank about the knowledge, skills, and expertise needed to assist the board in better fulfilling its responsibilities.

''(D) CONFLICTS OF INTEREST.—Notwithstanding subsection (f)(2), an independent director under this paragraph of a Bank may not, during such director's term of office, serve as an officer of any Federal Home Loan Bank or as a director or officer of any member of a Bank.

''(E) COMMUNITY DEMOGRAPHICS.—In appointing independent directors of a Bank pursuant to this paragraph, the Director shall take into consideration the demographic makeup of the community most served by the Affordable Housing Program of the Bank pursuant to section 10(j).'';

(2) in the first sentence of subsection (b), by striking ''elective directorship'' and inserting ''member directorship established pursuant to subsection (a)(2)'';

(3) in subsection (c)—

(A) by striking ''elective'' each place such term appears and inserting ''member'', except—

(i) in the second sentence, the second place such term appears; and

(ii) each place such term appears in the fifth sentence; and

(B) in the second sentence—

(i) by inserting ''(A) except as provided in clause (B) of this sentence,'' before ''if at any time''; and

(ii) by inserting before the period at the end the following: '', and (B) clause (A) of this sentence shall not apply to the directorships of any Federal home loan bank resulting from the merger of any two or more such banks''; and

(4) by striking ''elective'' each place such term appears (except in subsections (c), (e), and (f)).

(b) TERMS.—

(1) IN GENERAL.—Section 7(d) of the Federal Home Loan Bank Act (12 U.S.C. 1427(d)) is amended—

(A) in the first sentence, by striking ''3 years'' and inserting ''4 years''; and

(B) in the second sentence—

(i) by striking ''Federal Home Loan Bank System Modernization Act of 1999'' and inserting ''Federal Housing Finance Reform Act of 2007''; and

(ii) by striking ''1/3'' and inserting ''1/4''.

(2) SAVINGS PROVISION.—The amendments made by paragraph (1) shall not apply to the term of office of any director of a Federal home loan bank who is serving as of the effective date of this title under section 211, including any director elected to fill a vacancy in any such office.

(c) CONTINUED SERVICE OF INDEPENDENT DIRECTORS AFTER EXPIRATION OF TERM.—Section 7(f)(2) of the Federal Home Loan Bank Act (12 U.S.C. 1427(f)(2)) is amended—

(1) in the second sentence, by striking ''or the term of such office expires, whichever occurs first'';

(2) by adding at the end the following new sentence: ''An independent Bank director may continue to serve as a director after the expiration of the term of such director until a successor is appointed.'';

(3) in the paragraph heading, by striking ''APPOINTED'' and inserting ''INDEPENDENT''; and

(4) by striking ''appointive'' each place such term appears and inserting ''independent''.

(d) CONFORMING AMENDMENTS.—Section 7(f)(3) of the Federal Home Loan Bank Act (12 U.S.C. 1427(f)(3)) is amended—

(1) in the paragraph heading, by striking ''ELECTED'' and inserting ''MEMBER''; and

(2) by striking ''elective'' each place such term appears in the first and third sentences and inserting ''member''.

(e) COMPENSATION.—Subsection (i) of section 7 of the Federal Home Loan Bank Act (12 U.S.C. 1427(i)) is amended to read as follows:

''(i) DIRECTORS' COMPENSATION.—

''(1) IN GENERAL.—Each Federal home loan bank may pay the directors on the board of directors for the bank reasonable and appropriate compensation for the time required of such directors, and reasonable and appropriate expenses incurred by such directors, in connection with service on the board of directors, in accordance with resolutions adopted by the board of directors and subject to the approval of the Director.

''(2) ANNUAL REPORT BY THE BOARD.—The Director shall include, in the annual report submitted to the Congress pursuant to section 1319B of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, information regarding the compensation and expenses paid by the Federal home loan banks to the directors on the boards of directors of the banks.''.

(f) TRANSITION RULE.—Any member of the board of directors of a Federal Home Loan Bank serving as of the effective date under section 211 may continue to serve as a member of such board of directors for the remainder of the term of such office as provided in section 7 of the Federal Home Loan Bank Act, as in effect before such effective date.

SEC. 203. FEDERAL HOUSING FINANCE AGENCY OVERSIGHT OF FEDERAL HOME LOAN BANKS.

The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.), other than in provisions of that Act added or amended otherwise by this Act, is amended—

(1) by striking sections 2A and 2B (12 U.S.C. 1422a, 1422b);

(2) in section 6 (12 U.S.C. 1426(b)(1))—

(A) in subsection (b)(1), in the matter preceding subparagraph (A), by striking ''Finance Board approval'' and inserting ''approval by the Director''; and

(B) in each of subsections (c)(4)(B) and (d)(2), by striking ''Finance Board regulations'' each place that term appears and inserting ''regulations of the Director'';

(3) in section 8 (12 U.S.C. 1428), in the section heading, by striking ''BY THE BOARD'';

(4) in section 10(b) (12 U.S.C. 1430(b)), by striking ''by formal resolution'';

(5) in section 10 (12 U.S.C. 1430), by adding at the end the following new subsection:

''(k) MONITORING AND ENFORCING COMPLIANCE WITH AFFORDABLE HOUSING AND COMMUNITY INVESTMENT PROGRAM REQUIREMENTS.—The requirements under subsection (i) and (j) that the Banks establish Community Investment and Affordable Housing Programs, respectively, and contribute to the Affordable Housing Program, shall be enforceable by the Director with respect to the Banks in the same manner and to the same extent as the housing goals under subpart B of part 2 of subtitle A of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4561 et seq.) are enforceable under section 1336 of such Act with respect to the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.'';

(6) in section 11 (12 U.S.C. 1431)—

(A) in subsection (b)—

(i) in the first sentence—

(I) by striking ''The Board'' and inserting ''The Office of Finance, as agent for the Banks,''; and

(II) by striking ''the Board'' and inserting ''such Office''; and

(ii) in the second and fourth sentences, by striking ''the Board'' each place such term appears and inserting ''the Office of Finance'';

(B) in subsection (c)—

(i) by striking ''the Board'' the first place such term appears and inserting ''the Office of Finance, as agent for the Banks,''; and

(ii) by striking ''the Board'' the second place such term appears and inserting ''such Office''; and

(C) in subsection (f)—

(i) by striking the two commas after ''permit'' and inserting ''or''; and

(ii) by striking the comma after ''require'';

(7) in section 15 (12 U.S.C. 1435), by inserting ''or the Director'' after ''the Board'';

(8) in section 18 (12 U.S.C. 1438), by striking subsection (b);

(9) in section 21 (12 U.S.C. 1441)—

(A) in subsection (b)—

(i) in paragraph (5), by striking ''Chairperson of the Federal Housing Finance Board'' and inserting ''Director''; and

(ii) in the heading for paragraph (8), by striking ''FEDERAL HOUSING FINANCE BOARD'' and inserting ''DIRECTOR''; and

(B) in subsection (i), in the heading for paragraph (2), by striking ''FEDERAL HOUSING FINANCE BOARD'' and inserting ''DIRECTOR'';

(10) in section 23 (12 U.S.C. 1443), by striking ''Board of Directors of the Federal Housing Finance Board'' and inserting ''Director'';

(11) by striking ''the Board'' each place such term appears in such Act (except in section 15 (12 U.S.C. 1435), section 21(f)(2) (12 U.S.C. 1441(f)(2)), subsections (a), (k)(2)(B)(i), and (n)(6)(C)(ii) of section 21A (12 U.S.C. 1441a), subsections (f)(2)(C), and (k)(7)(B)(ii) of section 21B (12 U.S.C. 1441b), and the first two places such term appears in section 22 (12 U.S.C. 1442)) and inserting ''the Director'';

(12) by striking ''The Board'' each place such term appears in such Act (except in sections 7(e) (12 U.S.C. 1427(e)), and 11(b) (12 U.S.C. 1431(b)) and inserting ''The Director'';

(13) by striking ''the Board's'' each place such term appears in such Act and inserting ''the Director's'';

(14) by striking ''The Board's'' each place such term appears in such Act and inserting ''The Director's'';

(15) by striking ''the Finance Board'' each place such term appears in such Act and inserting ''the Director'';

(16) by striking ''Federal Housing Finance Board'' each place such term appears and inserting ''Director'';

(17) in section 11(i) (12 U.S.C. 1431(i), by striking ''the Chairperson of''; and

(18) in section 21(e)(9) (12 U.S.C. 1441(e)(9)), by striking ''Chairperson of the''.

SEC. 204. JOINT ACTIVITIES OF BANKS.

Section 11 of the Federal Home Loan Bank Act (12 U.S.C. 1431) is amended by adding at the end the following new subsection:

''(l) JOINT ACTIVITIES.—Subject to the regulation of the Director, any two or more Federal Home Loan Banks may establish a joint office for the purpose of performing functions for, or providing services to, the Banks on a common or collective basis, or may require that the Office of Finance perform such functions or services, but only if the Banks are otherwise authorized to perform such functions or services individually.''.

SEC. 205. SHARING OF INFORMATION BETWEEN FEDERAL HOME LOAN BANKS.

(a) IN GENERAL.—The Federal Home Loan Bank Act is amended by inserting after section 20 (12 U.S.C. 1440) the following new section:

''SEC. 20A. SHARING OF INFORMATION BETWEEN FEDERAL HOME LOAN BANKS.

''(a) REGULATORY AUTHORITY.—The Director shall prescribe such regulations as may be necessary to ensure that each Federal Home Loan Bank has access to information that the Bank needs to determine the nature and extent of its joint and several liability.

''(b) NO WAIVER OF PRIVILEGE.—The Director shall not be deemed to have waived any privilege applicable to any information concerning a Federal Home Loan Bank by transferring, or permitting the transfer of, that information to any other Federal Home Loan Bank for the purpose of enabling the recipient to evaluate the nature and extent of its joint and several liability.''.

(b) REGULATIONS.—The regulations required under the amendment made by subsection (a) shall be issued in final form not later than 6 months after the effective date under section 211 of this Act.

SEC. 206. REORGANIZATION OF BANKS AND VOLUNTARY MERGER.

Section 26 of the Federal Home Loan Bank Act (12 U.S.C. 1446) is amended—

(1) by inserting ''(a) REORGANIZATION.—'' before ''Whenever''; and

(2) by striking ''liquidated or'' each place such phrase appears;

(3) by striking ''liquidation or''; and

(4) by adding at the end the following new subsection:

''(b) VOLUNTARY MERGERS.—Any two or more Banks may, with the approval of the Director, and the approval of the boards of directors of the Banks involved, merge. The Director shall promulgate regulations establishing the conditions and procedures for the consideration and approval of any such voluntary merger, including the procedures for Bank member approval.''.

SEC. 207. SECURITIES AND EXCHANGE COMMISSION DISCLOSURE.

(a) IN GENERAL.—The Federal Home Loan Banks shall be exempt from compliance with—

(1) sections 13(e), 14(a), 14(c), and 17A of the Securities Exchange Act of 1934 and related Commission regulations; and

(2) section 15 of that Act and related Securities and Exchange Commission regulations with respect to transactions in capital stock of the Banks.

(b) MEMBER EXEMPTION.—The members of the Federal Home Loan Banks shall be exempt from compliance with sections 13(d), 13(f), 13(g), 14(d), and 16 of the Securities Exchange Act of 1934 and related Securities and Exchange Commission regulations with respect to their ownership of, or transactions in, capital stock of the Federal Home Loan Banks.

(c) EXEMPTED AND GOVERNMENT SECURITIES.—

(1) CAPITAL STOCK.—The capital stock issued by each of the Federal Home Loan Banks under section 6 of the Federal Home Loan Bank Act are—

(A) exempted securities within the meaning of section 3(a)(2) of the Securities Act of 1933; and

(B) ''exempted securities'' within the meaning of section 3(a)(12)(A) of the Securities Exchange Act of 1934.

(2) OTHER OBLIGATIONS.—The debentures, bonds, and other obligations issued under section 11 of the Federal Home Loan Bank Act are—

(A) exempted securities within the meaning of section 3(a)(2) of the Securities Act of 1933;

(B) ''government securities'' within the meaning of section 3(a)(42) of the Securities Exchange Act of 1934;

(C) excluded from the definition of ''government securities broker'' within section 3(a)(43) of the Securities Exchange Act of 1934;

(D) excluded from the definition of ''government securities dealer'' within section 3(a)(44) of the Securities Exchange Act of 1934; and

(E) ''government securities'' within the meaning of section 2(a)(16) of the Investment Company Act of 1940.

(d) EXEMPTION FROM REPORTING REQUIREMENTS.—The Federal Home Loan Banks shall be exempt from periodic reporting requirements pertaining to—

(1) the disclosure of related party transactions that occur in the ordinary course of business of the Banks with their members; and

(2) the disclosure of unregistered sales of equity securities.

(e) TENDER OFFERS.—The Securities and Exchange Commission's rules relating to tender offers shall not apply in connection with transactions in capital stock of the Federal Home Loan Banks.

(f) REGULATIONS.—In issuing any final regulations to implement provisions of this section, the Securities and Exchange Commission shall consider the distinctive characteristics of the Federal Home Loan Banks when evaluating the accounting treatment with respect to the payment to Resolution Funding Corporation, the role of the combined financial statements of the twelve Banks, the accounting classification of redeemable capital stock, and the accounting treatment related to the joint and several nature of the obligations of the Banks.

SEC. 208. COMMUNITY FINANCIAL INSTITUTION MEMBERS.

(a) TOTAL ASSET REQUIREMENT.—Paragraph (10) of section 2 of the Federal Home Loan Bank Act (12 U.S.C. 1422(10)), as so redesignated by section 201(3) of this Act, is amended by striking ''$500,000,000'' each place such term appears and inserting ''$1,000,000,000''.

(b) USE OF ADVANCES FOR COMMUNITY DEVELOPMENT ACTIVITIES.—Section 10(a) of the Federal Home Loan Bank Act (12 U.S.C. 1430(a)) is amended—

(1) in paragraph (2)(B)—

(A) by striking ''and''; and

(B) by inserting '', and community development activities'' before the period at the end;

(2) in paragraph (3)(E), by inserting ''or community development activities'' after ''agriculture,''; and

(3) in paragraph (6)—

(A) by striking ''and''; and

(B) by inserting '', and 'community development activities'' before ''shall''.

SEC. 209. TECHNICAL AND CONFORMING AMENDMENTS.

(a) RIGHT TO FINANCIAL PRIVACY ACT OF 1978.—Section 1113(o) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3413(o)) is amended—

(1) by striking ''Federal Housing Finance Board'' and inserting ''Federal Housing Finance Agency''; and

(2) by striking ''Federal Housing Finance Board's'' and inserting ''Federal Housing Finance Agency's''.

(b) RIEGLE COMMUNITY DEVELOPMENT AND REGULATORY IMPROVEMENT ACT OF 1994.—Section 117(e) of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4716(e)) is amended by striking ''Federal Housing Finance Board'' and inserting ''Federal Housing Finance Agency''.

(c) TITLE 18, UNITED STATES CODE.—Title 18, United States Code, is amended by striking ''Federal Housing Finance Board'' each place such term appears in each of sections 212, 657, 1006, 1014, and inserting ''Federal Housing Finance Agency''.

(d) MAHRA ACT OF 1997.—Section 517(b)(4) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended by striking ''Federal Housing Finance Board'' and inserting ''Federal Housing Finance Agency''.

(e) TITLE 44, UNITED STATES CODE.—Section 3502(5) of title 44, United States Code, is amended by striking ''Federal Housing Finance Board'' and inserting ''Federal Housing Finance Agency''.

(f) ACCESS TO LOCAL TV ACT OF 2000.—Section 1004(d)(2)(D)(iii) of the Launching Our Communities' Access to Local Television Act of 2000 (47 U.S.C. 1103(d)(2)(D)(iii)) is amended by striking ''Office of Federal Housing Enterprise Oversight, the Federal Housing Finance Board'' and inserting ''Federal Housing Finance Agency''.

(g) SARBANES-OXLEY ACT OF 2002.—Section 105(b)(5)(B)(ii)(II) of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7215(B)(5)(b)(ii)(II)) is amended by inserting ''and the Director of the Federal Housing Finance Agency'' after ''Commission,''.

SEC. 210. STUDY OF AFFORDABLE HOUSING PROGRAM USE FOR LONG-TERM CARE FACILITIES.

The Comptroller General shall conduct a study of the use of affordable housing programs of the Federal home loan banks under section 10(j) of the Federal Home Loan Bank Act to determine how and the extent to which such programs are used to assist long-term care facilities for low- and moderate-income individuals, and the effectiveness and adequacy of such assistance in meeting the needs of affected communities. The study shall examine the applicability of such use to the affordable housing programs required to be established by the enterprises pursuant to the amendment made by section 139 of this Act. The Comptroller General shall submit a report to the Director of the Federal Housing Finance Agency and the Congress regarding the results of the study not later than the expiration of the 1-year period beginning on the date of the enactment of this Act. This section shall take effect on the date of the enactment of this Act.

SEC. 211. EFFECTIVE DATE.

Except as specifically provided otherwise in this title, this title shall take effect on and the amendments made by this title shall take effect on, and shall apply beginning on, the expiration of the 6-month period beginning on the date of the enactment of this Act.

TITLE III—TRANSFER OF FUNCTIONS, PERSONNEL, AND PROPERTY OF OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT, FEDERAL HOUSING FINANCE BOARD, AND DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Subtitle A—Office of Federal Housing Enterprise Oversight

SEC. 301. ABOLISHMENT OF OFHEO.

(a) IN GENERAL.—Effective at the end of the 6-month period beginning on the date of the enactment of this Act, the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development and the positions of the Director and Deputy Director of such Office are abolished.

(b) DISPOSITION OF AFFAIRS.—During the 6-month period beginning on the date of the enactment of this Act, the Director of the Office of Federal Housing Enterprise Oversight shall, for the purpose of winding up the affairs of the Office of Federal Housing Enterprise Oversight and in addition to carrying out its other responsibilities under law—

(1) manage the employees of such Office and provide for the payment of the compensation and benefits of any such employee which accrue before the effective date of the transfer of such employee pursuant to section 303; and

(2) may take any other action necessary for the purpose of winding up the affairs of the Office.

(c) STATUS OF EMPLOYEES BEFORE TRANSFER.—The amendments made by title I and the abolishment of the Office of Federal Housing Enterprise Oversight under subsection (a) of this section may not be construed to affect the status of any employee of such Office as employees of an agency of the United States for purposes of any other provision of law before the effective date of the transfer of any such employee pursuant to section 303.

(d) USE OF PROPERTY AND SERVICES.—

(1) PROPERTY.—The Director of the Federal Housing Finance Agency may use the property of the Office of Federal Housing Enterprise Oversight to perform functions which have been transferred to the Director of the Federal Housing Finance Agency for such time as is reasonable to facilitate the orderly transfer of functions transferred pursuant to any other provision of this Act or any amendment made by this Act to any other provision of law.

(2) AGENCY SERVICES.—Any agency, department, or other instrumentality of the United States, and any successor to any such agency, department, or instrumentality, which was providing supporting services to the Office of Federal Housing Enterprise Oversight before the expiration of the period under subsection (a) in connection with functions that are transferred to the Director of the Federal Housing Finance Agency shall—

(A) continue to provide such services, on a reimbursable basis, until the transfer of such functions is complete; and

(B) consult with any such agency to coordinate and facilitate a prompt and reasonable transition.

(e) SAVINGS PROVISIONS.—

(1) EXISTING RIGHTS, DUTIES, AND OBLIGATIONS NOT AFFECTED.—Subsection (a) shall not affect the validity of any right, duty, or obligation of the United States, the Director of the Office of Federal Housing Enterprise Oversight, or any other person, which—

(A) arises under or pursuant to the title XIII of the Housing and Community Development Act of 1992, the Federal National Mortgage Association Charter Act, the Federal Home Loan Mortgage Corporation Act, or any other provision of law applicable with respect to such Office; and

(B) existed on the day before the abolishment under subsection (a) of this section.

(2) CONTINUATION OF SUITS.—No action or other proceeding commenced by or against the Director of the Office of Federal Housing Enterprise Oversight in connection with functions that are transferred to the Director of the Federal Housing Finance Agency shall abate by reason of the enactment of this Act, except that the Director of the Federal Housing Finance Agency shall be substituted for the Director of the Office of Federal Housing Enterprise Oversight as a party to any such action or proceeding.

SEC. 302. CONTINUATION AND COORDINATION OF CERTAIN REGULATIONS.

All regulations, orders, determinations, and resolutions that—

(1) were issued, made, prescribed, or allowed to become effective by—

(A) the Office of Federal Housing Enterprise Oversight; or

(B) a court of competent jurisdiction and that relate to functions transferred by this subtitle; and

(2) are in effect on the date of the abolishment under section 301(a) of this Act, shall remain in effect according to the terms of such regulations, orders, determinations, and resolutions,

and shall be enforceable by or against the Director of the Federal Housing Finance Agency until modified, terminated, set aside, or superseded in accordance with applicable law by such Director, as the case may be, any court of competent jurisdiction, or operation of law.

SEC. 303. TRANSFER AND RIGHTS OF EMPLOYEES OF OFHEO.

(a) TRANSFER.—Each employee of the Office of Federal Housing Enterprise Oversight shall be transferred to the Federal Housing Finance Agency for employment no later than the date of the abolishment under section 301(a) of this Act and such transfer shall be deemed a transfer of function for purposes of section 3503 of title 5, United States Code.

(b) GUARANTEED POSITIONS.—Each employee transferred under subsection (a) shall be guaranteed a position with the same status, tenure, grade, and pay as that held on the day immediately preceding the transfer. Each such employee holding a permanent position shall not be involuntarily separated or reduced in grade or compensation for 12 months after the date of transfer, except for cause or, if the employee is a temporary employee, separated in accordance with the terms of the appointment.

(c) APPOINTMENT AUTHORITY FOR EXCEPTED SERVICE EMPLOYEES.—

(1) IN GENERAL.—In the case of employees occupying positions in the excepted service, any appointment authority established pursuant to law or regulations of the Office of Personnel Management for filling such positions shall be transferred, subject to paragraph (2).

(2) DECLINE OF TRANSFER.—The Director of the Federal Housing Finance Agency may decline a transfer of authority under paragraph (1) (and the employees appointed pursuant thereto) to the extent that such authority relates to positions excepted from the competitive service because of their confidential, policy-making, policy-determining, or policy-advocating character.

(d) REORGANIZATION.—If the Director of the Federal Housing Finance Agency determines, after the end of the 1-year period beginning on the date of the abolishment under section 301(a), that a reorganization of the combined work force is required, that reorganization shall be deemed a major reorganization for purposes of affording affected employees retirement under section 8336(d)(2) or 8414(b)(1)(B) of title 5, United States Code.

(e) EMPLOYEE BENEFIT PROGRAMS.—Any employee of the Office of Federal Housing Enterprise Oversight accepting employment with the Director of the Federal Housing Finance Agency as a result of a transfer under subsection (a) may retain for 12 months after the date such transfer occurs membership in any employee benefit program of the Federal Housing Finance Agency or the Office of Federal Housing Enterprise Oversight, as applicable, including insurance, to which such employee belongs on the date of the abolishment under section 301(a) if—

(1) the employee does not elect to give up the benefit or membership in the program; and

(2) the benefit or program is continued by the Director of the Federal Housing Finance Agency,

The difference in the costs between the benefits which would have been provided by such agency and those provided by this section shall be paid by the Director of the Federal Housing Finance Agency. If any employee elects to give up membership in a health insurance program or the health insurance program is not continued by such Director, the employee shall be permitted to select an alternate Federal health insurance program within 30 days of such election or notice, without regard to any other regularly scheduled open season.

SEC. 304. TRANSFER OF PROPERTY AND FACILITIES.

Upon the abolishment under section 301(a), all property of the Office of Federal Housing Enterprise Oversight shall transfer to the Director of the Federal Housing Finance Agency.

Subtitle B—Federal Housing Finance Board

SEC. 321. ABOLISHMENT OF THE FEDERAL HOUSING FINANCE BOARD.

(a) IN GENERAL.—Effective at the end of the 6-month period beginning on the date of enactment of this Act, the Federal Housing Finance Board (in this title referred to as the ''Board'') is abolished.

(b) DISPOSITION OF AFFAIRS.—During the 6-month period beginning on the date of enactment of this Act, the Board, for the purpose of winding up the affairs of the Board and in addition to carrying out its other responsibilities under law—

(1) shall manage the employees of such Board and provide for the payment of the compensation and benefits of any such employee which accrue before the effective date of the transfer of such employee under section 323; and

(2) may take any other action necessary for the purpose of winding up the affairs of the Board.

(c) STATUS OF EMPLOYEES BEFORE TRANSFER.—The amendments made by titles I and II and the abolishment of the Board under subsection (a) may not be construed to affect the status of any employee of such Board as employees of an agency of the United States for purposes of any other provision of law before the effective date of the transfer of any such employee under section 323.

(d) USE OF PROPERTY AND SERVICES.—

(1) PROPERTY.—The Director of the Federal Housing Finance Agency may use the property of the Board to perform functions which have been transferred to the Director of the Federal Housing Finance Agency for such time as is reasonable to facilitate the orderly transfer of functions transferred under any other provision of this Act or any amendment made by this Act to any other provision of law.

(2) AGENCY SERVICES.—Any agency, department, or other instrumentality of the United States, and any successor to any such agency, department, or instrumentality, which was providing supporting services to the Board before the expiration of the period under subsection (a) in connection with functions that are transferred to the Director of the Federal Housing Finance Agency shall—

(A) continue to provide such services, on a reimbursable basis, until the transfer of such functions is complete; and

(B) consult with any such agency to coordinate and facilitate a prompt and reasonable transition.

(e) SAVINGS PROVISIONS.—

(1) EXISTING RIGHTS, DUTIES, AND OBLIGATIONS NOT AFFECTED.—Subsection (a) shall not affect the validity of any right, duty, or obligation of the United States, a member of the Board, or any other person, which—

(A) arises under the Federal Home Loan Bank Act or any other provision of law applicable with respect to such Board; and

(B) existed on the day before the effective date of the abolishment under subsection (a).

(2) CONTINUATION OF SUITS.—No action or other proceeding commenced by or against the Board in connection with functions that are transferred to the Director of the Federal Housing Finance Agency shall abate by reason of the enactment of this Act, except that the Director of the Federal Housing Finance Agency shall be substituted for the Board or any member thereof as a party to any such action or proceeding.

SEC. 322. CONTINUATION AND COORDINATION OF CERTAIN REGULATIONS.

(a) IN GENERAL.—All regulations, orders, determinations, and resolutions described under subsection (b) shall remain in effect according to the terms of such regulations, orders, determinations, and resolutions, and shall be enforceable by or against the Director of the Federal Housing Finance Agency until modified, terminated, set aside, or superseded in accordance with applicable law by such Director, any court of competent jurisdiction, or operation of law.

(b) APPLICABILITY.—A regulation, order, determination, or resolution is described under this subsection if it—

(1) was issued, made, prescribed, or allowed to become effective by—

(A) the Board; or

(B) a court of competent jurisdiction and relates to functions transferred by this subtitle; and

(2) is in effect on the effective date of the abolishment under section 321(a).

SEC. 323. TRANSFER AND RIGHTS OF EMPLOYEES OF THE FEDERAL HOUSING FINANCE BOARD.

(a) TRANSFER.—Each employee of the Board shall be transferred to the Federal Housing Finance Agency for employment not later than the effective date of the abolishment under section 321(a), and such transfer shall be deemed a transfer of function for purposes of section 3503 of title 5, United States Code.

(b) GUARANTEED POSITIONS.—Each employee transferred under subsection (a) shall be guaranteed a position with the same status, tenure, grade, and pay as that held on the day immediately preceding the transfer. Each such employee holding a permanent position shall not be involuntarily separated or reduced in grade or compensation for 12 months after the date of transfer, except for cause or, if the employee is a temporary employee, separated in accordance with the terms of the appointment.

(c) APPOINTMENT AUTHORITY FOR EXCEPTED AND SENIOR EXECUTIVE SERVICE EMPLOYEES.—

(1) IN GENERAL.—In the case of employees occupying positions in the excepted service or the Senior Executive Service, any appointment authority established under law or by regulations of the Office of Personnel Management for filling such positions shall be transferred, subject to paragraph (2).

(2) DECLINE OF TRANSFER.—The Director of the Federal Housing Finance Agency may decline a transfer of authority under paragraph (1) to the extent that such authority relates to positions excepted from the competitive service because of their confidential, policymaking, policy-determining, or policy-advocating character, and noncareer positions in the Senior Executive Service (within the meaning of section 3132(a)(7) of title 5, United States Code).

(d) REORGANIZATION.—If the Director of the Federal Housing Finance Agency determines, after the end of the 1-year period beginning on the effective date of the abolishment under section 321(a), that a reorganization of the combined workforce is required, that reorganization shall be deemed a major reorganization for purposes of affording affected employees retirement under section 8336(d)(2) or 8414(b)(1)(B) of title 5, United States Code.

(e) EMPLOYEE BENEFIT PROGRAMS.—

(1) IN GENERAL.—Any employee of the Board accepting employment with the Federal Housing Finance Agency as a result of a transfer under subsection (a) may retain for 12 months after the date on which such transfer occurs membership in any employee benefit program of the Federal Housing Finance Agency or the Board, as applicable, including insurance, to which such employee belongs on the effective date of the abolishment under section 321(a) if—

(A) the employee does not elect to give up the benefit or membership in the program; and

(B) the benefit or program is continued by the Director of the Federal Housing Finance Agency.

(2) COST DIFFERENTIAL.—The difference in the costs between the benefits which would have been provided by the Board and those provided by this section shall be paid by the Director of the Federal Housing Finance Agency. If any employee elects to give up membership in a health insurance program or the health insurance program is not continued by such Director,

the employee shall be permitted to select an alternate Federal health insurance program within 30 days after such election or notice, without regard to any other regularly scheduled open season.

SEC. 324. TRANSFER OF PROPERTY AND FACILITIES.

Upon the effective date of the abolishment under section 321(a), all property of the Board shall transfer to the Director of the Federal Housing Finance Agency.

Subtitle C—Department of Housing and Urban Development

SEC. 341. TERMINATION OF ENTERPRISE-RELATED FUNCTIONS.

(a) TERMINATION DATE.—For purposes of this subtitle, the term ''termination date'' means the date that occurs 6 months after the date of the enactment of this Act.

(b) DETERMINATION OF TRANSFERRED FUNCTIONS AND EMPLOYEES.—

(1) IN GENERAL.—Not later than the expiration of the 3-month period beginning on the date of the enactment of this Act, the Secretary, in consultation with the Director of the Office of Federal Housing Enterprise Oversight, shall determine—

(A) the functions, duties, and activities of the Secretary of Housing and Urban Development regarding oversight or regulation of the enterprises under or pursuant to the authorizing statutes, title XIII of the Housing and Community Development Act of 1992, and any other provisions of law, as in effect before the date of the enactment of this Act, but not including any such functions, duties, and activities of the Director of the Office of Federal Housing Enterprise Oversight of the Department of Housing and Urban Development and such Office; and

(B) the employees of the Department of Housing and Urban Development necessary to perform such functions, duties, and activities.

(2) ENTERPRISE-RELATED FUNCTIONS.—For purposes of this subtitle, the term ''enterprise-related functions of the Department'' means the functions, duties, and activities of the Department of Housing and Urban Development determined under paragraph (1)(A).

(3) ENTERPRISE-RELATED EMPLOYEES.—For purposes of this subtitle, the term ''enterprise-related employees of the Department'' means the employees of the Department of Housing and Urban Development determined under paragraph (1)(B).

(c) DISPOSITION OF AFFAIRS.—During the 6-month period beginning on the date of enactment of this Act, the Secretary of Housing and Urban Development (in this title referred to as the ''Secretary''), for the purpose of winding up the affairs of the Secretary regarding the enterprise-related functions of the Department of Housing and Urban Development (in this title referred to as the ''Department'') and in addition to carrying out the Secretary's other responsibilities under law regarding such functions—

(1) shall manage the enterprise-related employees of the Department and provide for the payment of the compensation and benefits of any such employee which accrue before the effective date of the transfer of any such employee under section 343; and

(2) may take any other action necessary for the purpose of winding up the enterprise-related functions of the Department.

(d) STATUS OF EMPLOYEES BEFORE TRANSFER.—The amendments made by titles I and II and the termination of the enterprise-related functions of the Department under subsection (b) may not be construed to affect the status of any employee of the Department as employees of an agency of the United States for purposes of any other provision of law before the effective date of the transfer of any such employee under section 343.

(e) USE OF PROPERTY AND SERVICES.—

(1) PROPERTY.—The Director of the Federal Housing Finance Agency may use the property of the Secretary to perform functions which have been transferred to the Director of the Federal Housing Finance Agency for such time as is reasonable to facilitate the orderly transfer of functions transferred under any other provision of this Act or any amendment made by this Act to any other provision of law.

(2) AGENCY SERVICES.—Any agency, department, or other instrumentality of the United States, and any successor to any such agency, department, or instrumentality, which was providing supporting services to the Secretary regarding enterprise-related functions of the Department before the termination date under subsection (a) in connection with such functions that are transferred to the Director of the Federal Housing Finance Agency shall—

(A) continue to provide such services, on a reimbursable basis, until the transfer of such functions is complete; and

(B) consult with any such agency to coordinate and facilitate a prompt and reasonable transition.

(f) SAVINGS PROVISIONS.—

(1) EXISTING RIGHTS, DUTIES, AND OBLIGATIONS NOT AFFECTED.—Subsection (a) shall not affect the validity of any right, duty, or obligation of the United States, the Secretary, or any other person, which—

(A) arises under the authorizing statutes, title XIII of the Housing and Community Development Act of 1992, or any other provision of law applicable with respect to the Secretary, in connection with the enterprise-related functions of the Department; and

(B) existed on the day before the termination date under subsection (a).

(2) CONTINUATION OF SUITS.—No action or other proceeding commenced by or against the Secretary in connection with the enterprise-related functions of the Department shall abate by reason of the enactment of this Act, except that the Director of the Federal Housing Finance Agency shall be substituted for the Secretary or any member thereof as a party to any such action or proceeding.

SEC. 342. CONTINUATION AND COORDINATION OF CERTAIN REGULATIONS.

(a) IN GENERAL.—All regulations, orders, and determinations described in subsection (b) shall remain in effect according to the terms of such regulations, orders, determinations, and resolutions, and shall be enforceable by or against the Director of the Federal Housing Finance Agency until modified, terminated, set aside, or superseded in accordance with applicable law by such Director, any court of competent jurisdiction, or operation of law.

(b) APPLICABILITY.—A regulation, order, or determination is described under this subsection if it—

(1) was issued, made, prescribed, or allowed to become effective by—

(A) the Secretary; or

(B) a court of competent jurisdiction and that relate to the enterprise-related functions of the Department; and

(2) is in effect on the termination date under section 341(a).

SEC. 343. TRANSFER AND RIGHTS OF EMPLOYEES OF DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

(a) TRANSFER.—

(1) IN GENERAL.—Except as provided in paragraph (2), each enterprise-related employee of the Department shall be transferred to the Federal Housing Finance Agency for employment not later than the termination date under section 341(a) and such transfer shall be deemed a transfer of function for purposes of section 3503 of title 5, United States Code.

(2) AUTHORITY TO DECLINE.—An enterprise-related employee of the Department may, in the discretion of the employee, decline transfer under paragraph (1) to a position in the Federal Housing Finance Agency and shall be guaranteed a position in the Department with the same status, tenure, grade, and pay as that held on the day immediately preceding the date that such declination was made. Each such employee holding a permanent position shall not be involuntarily separated or reduced in grade or compensation for 12 months after the date that the transfer would otherwise have occurred, except for cause or, if the employee is a temporary employee, separated in accordance with the terms of the appointment.

(b) GUARANTEED POSITIONS.—Each enterprise-related employee of the Department transferred under subsection (a) shall be guaranteed a position with the same status, tenure, grade, and pay as that held on the day immediately preceding the transfer. Each such employee holding a permanent position shall not be involuntarily separated or reduced in grade or compensation for 12 months after the date of transfer, except for cause or, if the employee is a temporary employee, separated in accordance with the terms of the appointment.

(c) APPOINTMENT AUTHORITY FOR EXCEPTED AND SENIOR EXECUTIVE SERVICE EMPLOYEES.—

(1) IN GENERAL.—In the case of employees occupying positions in the excepted service or the Senior Executive Service, any appointment authority established under law or by regulations of the Office of Personnel Management for filling such positions shall be transferred, subject to paragraph (2).

(2) DECLINE OF TRANSFER.—The Director of the Federal Housing Finance Agency may decline a transfer of authority under paragraph (1) (and the employees appointed pursuant thereto) to the extent that such authority relates to positions excepted from the competitive service because of their confidential, policymaking, policy-determining, or policy-advocating character, and noncareer positions in the Senior Executive Service (within the meaning of section 3132(a)(7) of title 5, United States Code).

(d) REORGANIZATION.—If the Director of the Federal Housing Finance Agency determines, after the end of the 1-year period beginning on the termination date under section 341(a), that a reorganization of the combined workforce is required, that reorganization shall be deemed a major reorganization for purposes of affording affected employees retirement under section 8336(d)(2) or 8414(b)(1)(B) of title 5, United States Code.

(e) EMPLOYEE BENEFIT PROGRAMS.—

(1) IN GENERAL.—Any enterprise-related employee of the Department accepting employment with the Federal Housing Finance Agency as a result of a transfer under subsection (a) may retain for 12 months after the date on which such transfer occurs membership in any employee benefit program of the Federal Housing Finance Agency or the Department, as applicable, including insurance, to which such employee belongs on the termination date under section 341(a) if—

(A) the employee does not elect to give up the benefit or membership in the program; and

(B) the benefit or program is continued by the Director of the Federal Housing Finance Agency.

(2) COST DIFFERENTIAL.—The difference in the costs between the benefits which would have been provided by the Department and those provided by this section shall be paid by the Director of the Federal Housing Finance Agency. If any employee elects to give up membership in a health insurance program or the health insurance program is not continued by such Director, the employee shall be permitted to select an alternate Federal health insurance program within 30 days after such election or notice, without regard to any other regularly scheduled open season.

SEC. 344. TRANSFER OF APPROPRIATIONS, PROPERTY, AND FACILITIES.

Upon the termination date under section 341(a), all assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other

funds employed, held, used, arising from, available to, or to be made available to the Department in connection with enterprise-related functions of the Department shall transfer to the Director of the Federal Housing Finance Agency. Unexpended funds transferred by this section shall be used only for the purposes for which the funds were originally authorized and appropriated.

AMENDMENT NO. 12 OFFERED BY MR. BACHUS

Mr. BACHUS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 12 offered by Mr. BACHUS:

Page 94, strike lines 8 and 9.

Page 98, strike ''helpful'' in line 20 and all that follows through line 22, and insert ''for''.

Strike line 4 on page 127 and all that follows through line 7 on page 156.

Page 156, lines 11 and 12, strike ''adding after section 1337, as added by section 139 of this Act,'' and insert ''striking sections 1337 and 1338 and inserting''.

Page 156, line 14, strike ''**SEC. 1338.**'' and insert ''**SEC. 1337.**''.

Page 261, line 17, strike ''or 1337''.

Page 268, line 10, strike ''or 1337''.

Page 318, strike ''The study'' in line 17 and all that follows through ''this Act.'' in line 20.

Mr. BACHUS. Mr. Chairman, I yield to the gentleman from California (Mr. ROYCE).

Mr. ROYCE. Before I begin my general statement, if I could, I would like to engage Chairman FRANK and thank him for agreeing to engage in a colloquy on the receivership provision of the legislation.

Chairman FRANK, with your consent, with your consent I would like to introduce into the RECORD a statement that has been agreed to by your staff and by my staff, and I look forward to working on these issues going forward with you, and I would just yield to you for your affirmation.

Mr. FRANK of Massachusetts. I thank the gentleman. First of all, let me say, given that our staffs have worked this out, it would be a good thing for neither one of us to mess it up. I have read it over. It does correctly reinforce the point this is not creating any new governmental involvement. We don't want anyone to misinterpret this.

This is not to increase regulation, not to increase any kind of entitlement or entanglement. I thank the gentleman for this initiative. I very much agree this ought to go on the RECORD as something that is universally agreed to in the Congress.

Mr. ROYCE. Reclaiming my time, Mr. Chairman, I rise today to express my opposition to H.R. 1427.

H.R. 1427 is supposed to be legislation to reform oversight of the Nation's 14 housing government-sponsored enterprises. That would be our two GSEs, Fannie Mae, Freddie Mac and 12 Federal Home Loan Banks.

Over the past number of years, I have worked very hard to reform legislation of these GSEs. I believe better oversight is needed to protect our Nation's housing sector from disruption should one of the GSEs face financial difficulty.

I am disappointed that I will not be able to support the bill authored by our committee's chairman. However, to be fair, I do acknowledge that the chairman has added a number of positive provisions to this year's bill. And I would also like to thank the chairman for his willingness to work on improving the section on receivership.

Improvements aside, I am deeply troubled that legislation intended to improve the safety and soundness of the GSEs has become a vehicle to redistribute wealth. The Affordable Housing Fund in this bill unnecessarily confiscates money from the mortgage market. I adamantly oppose the creation of an Affordable Housing Fund today, as I have since its inception.

In 2005, I was the first Member of Congress to offer an amendment in a Financial Services Committee to strike the reform from GSE legislation. Since then, I have continuously and consistently opposed the housing fund in any form, shape or size. As I said over 2 years ago, the creation of this fund is an experiment in socialism, and anyone supporting its adoption is attempting to countermand the basic principles of free markets and limited government.

With that expression, I will yield back to the ranking member.

Mr. BACHUS. I thank the gentleman from California.

Mr. Chairman, I said earlier in the debate, we do not need another housing program. If we determine that the 90 some-odd housing programs are not being effective in addressing the needs of low-income and middle-income Americans, then we need to first reform those programs.

But, in passing legislation to strengthen the financial stability of our GSEs, we do not need at the same time to impose a $3 billion cost on them. Those are opposing actions.

If we are to do it, we certainly don't need to do what we are doing in this bill, and that's impose it on those who depend on Freddie and Fannie. Those are low- and middle-income American homeowners. In fact, regrettably, that's what we do in this fund. While we do a lot of great things, we do that.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the requisite number of words.

I appreciate the gentleman for offering this. This is the central question we will be debating today, and I realize we are going to be debating it in a number of forums, I hope not all 17 that are offered, but several.

There was a legitimate question here. I have to say I do want to defend my friend, the gentleman from Alabama, from my friend, the gentleman from California, who said that anybody who would support such an idea is advocating socialism. I do not think the gentleman from Alabama was advocating socialism when he joined 208 other Republicans in voting for the Housing Trust Fund 2 years ago. I think that's a little bit excessive.

We have, I think, some economic disputes here. First of all, the notion that all of this money, $500 million, roughly 5 percent of the profits of the two institutions together, the notion that all of it will be passed along to the people who take out the mortgages, the banks and everybody else, incorrectly assumes that Fannie Mae and Freddie Mac have a degree of pricing power that virtually allows them to set prices however they wish.

In fact, there was a time when they had a very large share of the market, and might have had such monopoly power. They no longer do. There is economic competition. Fannie Mae and Freddie Mac are not the only games in town. The notion that this will all get passed along and none of it go to the shareholders is faulty economics.

In fact, this will come out of the profits of these institutions, and it will, I believe, reduce the return of the shareholders. Now, I think that's legitimate. These are institutions that receive significant benefits because of various Federal laws and the way those laws are interpreted by the market.

We say that they shouldn't keep all of the benefits. By the way, those who believe this ought not just to be opposing the Affordable Housing Fund. We have long had goals of, affordable housing goals, which dictate to Fannie Mae and Freddie Mac that they must buy certain kinds of loans rather than others. We have got that to the point where they have to give preference to people whose incomes are at 80 percent and medium and below. That also impinges upon the profitability of Fannie Mae.

In other words, the argument is that anything that impinges on the argument of Fannie and Freddie will automatically be passed along to the home buyers. I think that's faulty economics. But if you think that's true, then why are you supporting, I would ask the Members on the other side, the housing goals.

Why would Members be voting for the amendment offered by the gentleman from New Jersey, which would severely restrict the portfolio? Eighty-five percent of the profits of Fannie Mae are being made on the portfolio. Now many on the administration and many on the other side want to severely restrict the portfolio, reduce it or say they can only be used for the lowest income mortgages.

That amendment, which many on the other side apparently plan to vote for, would have a far more serious impact on the profitability of Fannie Mae and Freddie Mac than on this housing fund by 8, 10 times as much. It is simply inconsistent to argue that you cannot impinge on the profitability of Fannie Mae and Freddie Mac without hurting the average mortgage buyer, and then

be for this much more significant impact on the profitability, and the economics are the same.

The argument is no direct passthrough here. The argument is that if you impinge on that profitability, they will raise their prices. First of all, the answer is, of course, they wish. They wish they had that kind of pricing power. I don't think they do.

To the extent that there is some impact, it will be far more greatly achieved if the amendment were to be adopted by the gentleman from New Jersey and other efforts to restrict the portfolio.

The gentleman from Alabama also said we have all these other housing programs. No. We do not have enough programs currently being funded that build affordable housing for families. We have 202 for the elderly. We have 811 for the disabled, both of which the administration has tried to cut back.

We are not building public housing. We have the voucher program. The voucher program, on an annual basis, adds to the demand for housing in a way that does not increase supply. There is not now a generally funded affordable housing construction program for families, for working people.

So the notion, and I would challenge Members who say there is duplication, show me which program this duplicates. It doesn't restrict it to the elderly and the disabled. It is a general family affordable housing program. That's what we think we should get into. It does it without taking money from the general Treasury. It pays for itself.

Finally, people have said, well, how is it going to be spent? We made this point very clear.

In the first year, it will go to Mississippi and Louisiana State authorities. Subsequently, none of it will be spent until a second bill passes this House and the Senate, and we will collectively decide how to spend it. I know there are people who think the Federal Government should provide affordable housing. That's the only argument for this amendment.

Mr. PRICE of Georgia. Mr. Chairman, I move to strike the requisite number of words, and I yield to my good friend from Alabama.

Mr. BACHUS. I thank the gentleman from Georgia and I thank the chairman.

I would like to briefly respond to two things that the chairman said. But before I do, I would like to acknowledge and thank the chairman. He said, in voting against this bill 2 years ago, I was not promoting and voting for it, I was not promoting socialism. Let me also acknowledge that 2 years ago, when the chairman voted for this bill, he was not opposing socialism. So, I think we both acknowledge that I was not promoting socialism, and you certainly weren't opposing socialism, nor are you today.

Now, the chairman has said that this isn't going to cost anything. It's out of the profits. It's not going to come from homeowners, it's not going to come from Fannie Mae, it's not going to come from Freddie Mac.

Mr. FRANK of Massachusetts. Would the gentleman yield?

Mr. BACHUS. Yes.

Mr. FRANK of Massachusetts. I said it would come from the shareholders. I didn't say it wouldn't come from Fannie Mae or Freddie Mac.

Mr. BACHUS. Oh, it would come from shareholders.

Mr. FRANK of Massachusetts. Yes.

Mr. PRICE of Georgia. Reclaiming my time.

I yield to the gentleman from Alabama.

Mr. BACHUS. Let me say this, the shareholders, that's the profits of the company, and the profits have to be generated somewhere. This idea that it doesn't cost anybody anything, and there is not a cost to the customers of the corporations, who are homeowners, it would be, indeed, a historic moment in this body if we passed legislation that cost billions of dollars, but it didn't cost anybody anything.

□ 1730

It would probably be the first time in the history of this universe. And if it does happen, we should pause, because we will have figured out basically how to defy the principles of mathematics and economics.

Third, the chairman mentioned Katrina, and I mentioned Katrina earlier in this debate, and let me point out, and I think this is probably conclusive evidence of why we do not need to pass a $3 billion additional housing fund.

The chairman correctly said that we passed this bill before, and I voted for it and it had money in there for Katrina. Well, this bill creates $3 billion, much of which will go to Katrina. Well, it was only 2 months ago that we appropriated $3 billion for Katrina. That is the 3 billion that we voted for; and there is no reason to pass legislation, which actually passed this body, went to the President and passed appropriating $3 billion, and here we come appropriating another $3 billion.

So I will continue to say we determined we needed $3 billion when I voted for this bill before, and I stand by that. We didn't need $6 billion, we needed $3 billion. That is why we voted for $3 billion. That is why 2 months ago we said this is what it will cost.

PARLIAMENTARY INQUIRY

Mr. FRANK of Massachusetts. Mr. Chairman, parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. FRANK of Massachusetts. Do we not go back and forth between the parties in recognition?

The CHAIRMAN. The Chair accords priority to members of the committee.

Mr. FRANK of Massachusetts. Without regard to party? The gentleman from Colorado is a member of the committee.

The CHAIRMAN. The Chairman did not see the gentleman from Colorado standing at the time he recognized the gentlewoman from Illinois.

The Chair will go to the gentlewoman from Illinois, and that will be followed by the gentleman from Colorado. So there is an understanding, the Chair intends to recognize members of the committee first in the order in which they are standing, regardless of which side of the aisle they may come from.

Mrs. BIGGERT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to support the amendment to strike the Affordable Housing Fund.

I think the reason that we are having so much trouble talking about this, I know that in our March 15 hearing we urged the chairman if we could spend some time working this out prior to coming to the floor, and obviously that hasn't happened. But I think, because of all the questions, because we haven't had a hearing on this and we don't know what the national fund is; and he keeps saying we have got an Affordable Housing Fund now.

It is estimated by CBO that it is going to be $3 billion over a 5-year period. If that is 1.2 basis points, then it will be the $3 billion. But there is still no dollar limit as to how large the fund can become. Where will the money for the fund ultimately come from? We don't know, talking about is it going to be from lower and middle Americans, or is it going to be from shareholders?

But I think these are all things that need to be considered before we have the fund. And I know it is, ''Trust me. We are going to have a national fund and we will figure out how it is going to work.'' But I think that, in this day and age, that we really need to give the regulator some idea of what their job is.

I agree with so much of this bill. I think it is a shame. I voted for the bill last time, and I was very proud to do that. A lot of people didn't vote for the bill. And suddenly, most of the bill that was in that bill is now in this bill.

But unlike last year's legislation, I think this bill has included in this provision that doesn't permit the regulator to focus on the very important duties in this bill, and rather to have this Affordable Housing Trust Fund I think it is too bad. The new regulator has the duty to write those regulations and then administer an Affordable Housing Grant Fund program from day one, when we don't know what this national trust fund is going to end up being. I don't think that this is an appropriate time to do it.

So I urge that we would strike the Affordable Housing Trust Fund from this bill, and would urge support of that amendment.

Mr. PERLMUTTER. Mr. Chairman, I move to strike the last word, and I yield to Mr. FRANK from Massachusetts.

Mr. FRANK of Massachusetts. I unfortunately have to again correct the ranking member. There was no money for affordable housing construction of any significance for Katrina affected areas.

The gentleman from Alabama incorrectly stated that we already voted $3 billion for Katrina. In the bill that we passed for the hurricane, there was one proposal for project-based section 8 that could help build 4,500 units. There was no other money in that bill for housing construction. Members will go back and read the debate, and they will see it was always contemplated by those of us for the bill that would be accompanied by this bill.

The assertion that this duplicates money voted for housing construction in Katrina has zero accuracy. This was always contemplated to be the second bill.

Additionally, the gentleman said I said the money wouldn't come from anywhere. No, quite to the contrary. I said several times in this hearing that it would come from the shareholders. I do not believe that Fannie and Freddie have monopoly pricing power that allows them simply to pass along every cost. Beyond that, I did note know that there were other positions being taken that would reduce the portfolio of Fannie and Freddie that would have far more impact on the profitability than the housing fund.

So those who believe that when you impact Fannie and Freddie's profitability you raise the cost of mortgages, they should not be for any other reductions in the housing fund.

I thank the gentleman from Colorado and I return his time to him.

Mr. PERLMUTTER. I would like to say something to the gentlelady from Illinois. The Affordable Housing Fund has specific and definite parameters as to how it is derived and how it is built. So I am not sure what she is saying is there is no certainty attached to it.

And the other thing is this is a classic tail wagging the dog argument. My friends on the other side, here we have, as Mr. BACHUS aptly pointed out, an entity. And it is a government entity, these GSEs with trillions of dollars of assets. And what we are talking about here is $500 million of affordable housing passing from one government entity to potentially another. It is less than one one-thousandth of the overall asset base of the particular GSEs, and less than 10 or 13 percent of the several billion dollars misstatement in accounting, which is what we are really trying to get to in this bill.

These entities could not account for their funds properly. They need more oversight. And I find my friends on the other side disregarding the purpose of this bill, which is the oversight to rail against the affordable housing for people in low and very low income situations from profits that are generated by a government entity.

They are saying that is wrong, that is socialism.

Mr. BACHUS. Mr. Chairman, will the gentleman yield?

Mr. PERLMUTTER. I yield to the gentleman from Alabama.

Mr. BACHUS. The gentleman keeps saying this is a government entity. This actually is a government-sponsored entity. And what we do in this bill is we try to separate and say that there is no implied guarantee by the government for this entity; it needs to generate its own profits. And it does that from homeowners whose mortgages they purchase or back.

Mr. PERLMUTTER. Reclaiming my time. Government-sponsored entity, government entity. In this instance, this is minute compared to the assets of this government-sponsored entity, and this is a classic tail wagging the dog. I would urge a ''no'' vote on this amendment.

Mr. GARRETT of New Jersey. Mr. Chairman, I move to strike the last word.

First of all, let me commend the chairman on his work on this legislation with regard to the underlying and the basic principle where this whole legislation came from; and that is, to create a world class regulator, I think was the buzz word when we first started working on this, with regard to the GSEs. And when the night is done and we vote on final passage of this, I hope that the language in the bill, I see the chairman is leaving. But I hope that the chairman will stick to his promise and the assertions that what we have in this is a good regulator, and it will not have any amendments that will water that down.

But to the point of the ranking member's amendment, I stand in support of the amendment. We should look at this and realize that what we have in this housing fund is an MTI, a mortgage tax increase. After this bill becomes law and a prospective homeowner goes to buy his next house and he sits there at the lawyer's office with the stack of papers this high that they have to fill out, somewhere in those documents buried in all the fine print and other costs that always are found in a home purchase at the last minute will be increased costs to them, an MTI, a mortgage tax increase.

Why is that? Because, as the ranking member indicates, you can't pull money out of thin air. We are not creating perpetual motion by this bill. They are trying to set with the housing fund a new flow of money to go into this. But where does it come from?

Now, the chairman of the committee constantly retorts that it is not coming from the perspective home buyer, it is not coming from the low and moderate income individual, who is just getting enough money together to buy that first house. And yet the door is slammed shut on them because one more tax, an MTI, a mortgage tax increase, is coming through this bill.

The chairman would suggest that it is coming exclusively from the stockholders. I don't see the chairman on floor at this time, but I would offer and entertain from the chairman whether he would accept an amendment to the bill right now that would specifically say that: That no increase in fees can be charged; that we cannot raise any taxes on the individual; and that all the money has to come from the stockholders.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of New Jersey. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. I wouldn't accept such an amendment because it would be impossible to enforce the economics of what's involved, to the extent that an entity has pricing power, monopoly pricing power or duopoly that can pass along the costs.

I would just note that the gentleman from New Jersey has an amendment that would have a far more significant negative impact on the profitability of these institutions than this bill.

Mr. GARRETT of New Jersey. Reclaiming my time. Because I have heard the gentleman make that charge with regard to my amendment, which has not come to the floor yet and I will be glad to get into a debate on my amendment later on. But the amendment that is before us right now addresses the issue as far as this MTI, mortgage tax increase.

And I appreciate the chairman now coming to the floor and saying specifically that his comments earlier was not absolutely correct when he said it would all come from the stockholders. Before he said it would come from the stockholders and not from the home buyers. Now he just indicated that you can't put that in language because you cannot actually prove that is going to occur. And that is my point, that at the end of the day the GSEs are in control of this. They will have the tax on them; they will have to decide where this tax is going to be placed. Is it on the poor, low income family, who has no bargaining rights with the GSEs at all; or will be with their stockholders, which the chairman just admitted that we as a legislative body cannot control.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of New Jersey. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. I am disappointed in the gentleman's naive economics. No, you cannot by statute affect this economic question.

My point is that is a measure of where the pricing power is, and it is impossible to sort out where it comes from when you are talking about profits. A corporation will maximize profit. One of the restraints on that will be competition.

My belief is that there is sufficient competition in this field so their ability to put all the costs on the customers and not have much on the company shareholders is far less than the gentleman from New Jersey thinks. That is not something you do by statute, as in every other context he would recognize.

Mr. GARRETT of New Jersey. And I am not naive in my politics or on economics at all. Because we know that, in business, at the end of the day the cost of anything that we buy is eventually paid for by whom? By the consumer.

You can say that you are pushing it off onto the stockholders or the investors of the company, but at that point in time you realize that if it raises the price too much for the stockholders or investors to invest in that company, what will they do? They will step back and they will not invest in that entity anymore, they will not invest in that company anymore, which raises the overall cost for investment for that entity. In this situation, then where does the cost go to? It goes to the consumer.

Mr. Chairman, we should be opposed to this mortgage tax increase.

□ 1745

Mr. SCOTT of Georgia. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to talk about this for a moment. First of all, let me just address the gentleman from Alabama's amendment, who's a very honorable person and a very, very good and highly thought-of colleague.

But it's very important that we recognize that his amendment is designed to do one and one thing only, and that is to gut this bill. And that's what the design is. So no matter which way you talk, whatever the arguments you use, it's designed to gut the bill.

Now, for the last year and a half, 2 years in our Committee on Financial Services, we've talked about the affordable housing trust fund. It has been moved out in many respects as a bipartisan measure.

Now, this is tailored. It's tailored specifically. I want to put into the RECORD a letter. It comes from the Most Reverend Nicholas DiMarzio, who is the Bishop of Brooklyn, Chairman of the Domestic Policy Committee for the United States Conference of Catholic Bishops. Here is what he says.

He says, ''As Chairman of the Domestic Policy Committee of the United States Conference of Catholic Bishops, I write in strong support of a provision in H.R. 1427, the Federal Housing Financial Reform Act of 2007, that provides some $500 million a year from Fannie Mae and Freddie Mac as a dedicated source of funding for an affordable housing trust fund.

''As you know, the Catholic community serves tens of thousands of men and women and children who struggle to avoid homelessness and maintain adequate housing. Besides sheltering homeless people who turn to us for help, our Catholic Charities, agencies, dioceses and parishes have built and continue to maintain thousands of affordable units. But despite our efforts and the efforts of so many others, there is just not enough affordable housing available. And we believe that a trust fund will be a stable source of money for building and rehabilitating affordable housing for very low income people.

''Our experience demonstrates to us how homelessness and inadequate, substandard housing destroys lives, undermines families, hurts communities and weakens the very social fabric of our Nation. By setting aside money for a National Housing Trust Fund, Congress acts to make the shelter needs of low income families a national priority.''

This brings us to the crux of this matter. And the crux of this matter, gentleman from Alabama, and my colleagues on the other side of the aisle, is that we have a pressing need. We have a pressing need for affordable housing. And nowhere is that pressing need more pressing than in Louisiana and Mississippi, where this is targeted to.

How those people have suffered; how much they've begged and pleaded for help. And yes, we have passed Katrina funds, but not for this.

And in committee, time and time again, we've raised these issues, and your very amendment, my distinguished friend from Alabama, was defeated in committee.

Now, it's very clear that 75 percent of the affordable housing funds available in the first year will go to Louisiana. 25 percent of such funds will go to Mississippi for affordable housing arising out of the costs and out of the terrible agonies of Hurricanes Katrina and Rita.

It's about time that we responded to these needs. And there's no better way of dealing with it than through Fannie Mae and Freddie Mac.

But I do want to set the record straight so we understand, from the point from the gentleman from New Jersey and others, and the public who's listening to this debate and watching this debate, to make sure that you understand exactly what this housing fund is based upon. It is funds and where the funds are derived from. They're derived through contributions by Fannie Mae and Freddie Mac in amounts equal to 1.2 basic points on each GSE's total outstanding mortgages, including both those held in the portfolio and those that have been securitized each year, from 2007 through 2011. And the program sunsets in 5 years. This is not a permanency. This is an emergency situation where affordable housing is needed. We're infusing this in. We're targeting it to the area in this country where the greatest need is, and then we're sunsetting it in 5 years. That's the responsible way of doing it. And I submit that the gentleman's amendment should be defeated.

Mr. HENSARLING. Mr. Chairman, I move to strike the requisite number of words.

I'd like to yield 30 seconds to the ranking member.

Mr. BACHUS. I appreciate the gentleman from Texas.

Let me say this to the gentleman from Georgia. He said that my amendment guts the bill because, as he sees it, the bill is this pressing need for affordable housing, when I say this bill is all about establishing an independent world class regulator for Fannie and Freddie. So I think that is true. I think you're acknowledging that what we're doing is establishing a strong regulator. What y'all are doing is establishing an affordable housing fund.

Mr. SCOTT of Georgia. Will the gentleman yield for one moment, please? Who better to deal with affordable housing than Fannie Mae and Freddie Mac?

Mr. HENSARLING. Reclaiming my time.

The CHAIRMAN. The gentleman from Texas controls the time.

Mr. HENSARLING. Mr. Chairman, I heard the gentleman from Georgia earlier read some correspondence from a bishop. I don't have any correspondence from a bishop this evening, but I do have some correspondence from some hard working families in the Fifth Congressional District of Texas talking about what we could do to make their housing affordable. And I think it's particularly important when we think about my friends from the other side of the aisle earlier today, literally just a couple of hours ago, passing the single largest tax increase in American history that will amount to roughly $2,700 a year on the families in the Fifth District of Texas.

I heard from the Freeman family in Mesquite, and they wrote me, that ''With the extra $2,700 being forced to pay to Washington, my family could lose our home, or we may be forced to give up education because the money won't be there to pay for it. It is really unfair that the low man on the totem pole is always having to give everything up. These extra taxes are not needed.''

Well, one way we can make housing affordable is not tax people with homes in the first place.

I heard from the Kirkendoll family in Garland, Texas. ''Dear Congressman Hensarling, I am unemployed on Social Security and my wife works. At this point, between taxes and utilities, we're at the breaking point of being able to keep a home.''

You know, one of the greatest ways that a home is affordable is you don't take money away from the family in the first place. And so, besides the single largest tax increase in American history that the Democrat majority passed earlier today, now they want to pass on a mortgage tax on hard working families struggling to make ends meet as well.

I heard from the Stevens family in Mesquite, Texas. ''Congressman Hensarling, I wanted to let you know that I'm a single mom that does not receive any type of child support, and a tax increase of this amount would break me. I would be at risk of losing my home with this type of increase. I'm writing to ask your help to keep this from happening. This will be devastating to middle income families and families in my situation.''

Mr. Chairman, I have many more letters like this. And so we've heard so much rhetoric from our friends on the other side of the aisle that somehow we don't care about affordable housing. The greatest affordable housing program in the history of this Nation is a good job and a low tax rate. And yet, with the single largest tax increase in American history passed by the majority earlier today, they threaten the almost 8 million new jobs empowering people to buy homes. You take the tax relief away. You increase taxes on capital dividends, capital gains, you start taking those jobs away.

And then you pass on this roughly $2,700 a year on hard working families all over America, you've got a double whammy. You start taking their jobs away, and then you start taking their ability to pay for these mortgages.

I listened very closely to the chairman of the committee earlier when he accused the gentleman of New Jersey from, I guess, subscribing to naive economics. I will admit, it's been a number of years ago, but I actually studied economics. I have a degree in economics. I spent 10 years in private business. And what I know about economics is that when you have a government sanctioned duopoly, as opposed to an atomistic competitive marketplace, they have a great ability to pass on costs to their customers, in this case, ultimately, the homeowner.

So I guess the gentleman, our chairman, has studied a different economics than I do. And I did listen when the chairman said that it's the shareholders that will pay. So I'm offering an amendment later this evening that says this so-called affordable housing fund will go away if the regulator determines that interest rates go up. And since the chairman believes that only shareholders will pay, I look forward to him accepting that amendment.

Ms. WATERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and Members, I am surprised at the information that is being given from my friends on the opposite side of the aisle about this bill. Mr. GARRETT from New Jersey gets up and talks about the mortgage tax increase. There is no MTI. He made that up. There is no MTI identified in and for this bill. I don't know where they're getting this from. They have vivid imaginations, and they would have you believe that somehow, in order to create this housing trust fund and have the GSEs participate in it, there must be something that they've made up called a mortgage tax increase.

Did anyone tell my friends on the opposite side of the aisle that the GSEs have many places they can take the money from?

First of all, it is important for everyone to know and understand, this money does not come from the general fund. This money does not come from something called an MTI. This is afterprofit tax from the GSEs. And they have all of these programs, they have not only programs that they could eliminate, they could rearrange, and get millions of dollars from, but the investors, instead of getting huge profits, they could be reduced a little bit so that money could go into this housing trust fund.

You would think that the Members on the opposite side of the aisle don't have a housing crisis in their district. Well, I've been to Alabama. I've been in Mr. BACHUS' district. I want to tell you, he's got some terrible housing problems. He's got a crisis.

But Mr. HENSARLING does, too. I don't know where those letters are coming from, but let me tell you about his district. Renter households, 81,740 including 14,931 extremely low income households in Mr. HENSARLING's district.

Of these extremely poor households, 56 percent of them are paying more than half of their incomes for housing. In this district, there's a deficit of 9,571 units that are affordable and available to extremely poor households.

I don't mind speaking up for the least of these and poor. I don't mind trying to help the people in my district. But I do mind carrying the burden for all over America, for districts where there are people in need, and somehow their representatives forget to represent them.

And my friend would have you believe that he's so concerned about the safety and soundness of these GSEs, and that they want independent world class regulation. And we've created that in this bill, we have compromised, we have worked with them, we have put a new agency in. We have done a great job.

Are you willing to sacrifice that because you don't believe the government should participate in helping the least of these get some low income housing? Are you willing to give up all that we have worked for to ensure that we have GSEs that are safe and sound because you don't want to help poor people, low income people, people who work every day but simply cannot afford to own a home or have a decent place to live?

□ 1800

I don't think so. I know some of my friends on the opposite side of the aisle may have some questions about how this is all going to work, but I really don't believe that what you mean is that you would give up this bill; that you would rather not see this bill passed, with all of the good that is in it, even FM Watch that was organized some time ago to deal with bringing down the GSEs or supporting this housing trust fund. These are your friends that you have worked with. They like the bill and they like the housing trust fund, and they have letters of support that they have passed out all over this Congress.

So I would say that even if you have some questions, you don't quite understand it, understand this: A housing crisis, people in need, moneys that can be gotten from GSEs that does not create something called an MTI, that can help people to have a decent quality of life. Just understand that. And couple that with the knowledge that you have worked very hard to make sure that these GSEs are safe and sound and you don't want to give that up at this point.

The Acting CHAIRMAN (Mr. HASTINGS of Florida). The question is on the amendment offered by the gentleman from Alabama (Mr. BACHUS).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. BACHUS. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Alabama will be postponed.

AMENDMENT NO. 22 OFFERED BY MR. KANJORSKI

Mr. KANJORSKI. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 22 offered by Mr. KANJORSKI:

Page 300, line 24, strike ''; and'' and insert the following: ''. The Federal Housing Enterprise Board may recommend individuals who are identified by the Board's own independent process or included on a list of individuals recommended by the board of directors of the Bank involved, which shall be submitted to the Federal Housing Enterprise Board by such board of directors. The number of individuals on any such list submitted by a Bank's board of directors shall be equal to at least two times the number of independent directorships to be filled. All independent directors appointed''.

Mr. KANJORSKI. Mr. Chairman, this amendment is drawn for the purposes of clarifying the process used by the new regulator's advisory committee to recommend candidates to serve as independent directors on the boards of each of the Federal Home Loan Banks. This proposal is a simple, yet important, corporate governance reform.

Today, the Federal Home Loan Banks benefit from the service and the guidance of individuals appointed by the regulator to serve on the boards of each of the Federal Home Loan Banks in addition to those board directors elected by member financial institutions. Because the public-private partnership in guiding and monitoring the activities of a Federal Home Loan Bank is an important one, H.R. 1427 would preserve the election and appointment systems for constituting the Federal Home Loan Bank boards.

Under the bill the advisory committee would recommend a list of individuals to serve as appointed independent directors to the head of the new regulatory agency. This individual would then make the final determination about whom to appoint to the independent director seats on the boards of each of the Federal Home Loan Banks.

Independent directors help to focus a Federal Home Loan Bank on its statutory mission. These public appointees also help to ensure that each board has the knowledge, skills, and expertise needed to properly direct and supervise the management of the Federal Home Loan Bank. For this appointment system to work best and for independent directors to perform the role that Congress intended, the director of the new regulatory agency overseeing the housing government-sponsored enterprises should have a choice among a variety of qualified candidates when making appointments just as the voters should have a choice of candidates in elections. My amendment would allow such a choice to occur via two specific methods:

First, it would allow the advisory board to establish its own independent process for identifying individuals to serve as appointed directors. Second, the amendment would build on the rulemaking recently adopted by the existing regulator that has the boards at each of the Federal Home Loan Banks recommending individuals to serve as independent directors.

Under this second route, each board of directors at a Federal Home Loan Bank would put forward at least two candidates for each vacant independent director seat. If a board submitted just one name for consideration, we could create a system by which the independent directors could become beholden to the group that nominated them.

For the appointed directors to remain effective and push the system's mission, we need to make sure that we keep their independence in place. By mandating that a Federal Home Loan Bank board provide at least two recommendations, we will help to prevent these unusually cozy relationships from ever developing.

In sum, Mr. Chairman, my amendment refines the processes to be used by the Federal Housing Enterprise Board in recommending individuals to serve as appointed directors on the boards of the Federal Home Loan Banks in a way that helps to preserve their independence and to ensure that they help a Federal Home Loan Bank to achieve its intended mandatory objectives.

I urge the adoption of this proposal.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. KANJORSKI. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I thank the gentleman for yielding.

I want to express my support for this. We have talked to Members on the other side. My understanding, this is one of nine that was going to be agreed to.

The gentleman from Pennsylvania has been one of the leading Members of the House in insisting on the public functioning of this board and the members, and this is another chapter in the book he is writing about how to protect the input here from citizens. So I strongly hope that the amendment is adopted. It is my understanding that it was acceptable on the Republican side as well.

Mr. HASTINGS of Florida. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. KANJORSKI).

The amendment was agreed to.

AMENDMENT NO. 29 OFFERED BY MR. HENSARLING

Mr. HENSARLING. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 29 offered by Mr. HENSARLING:

Page 128, line 22, strike ''temporarily''.

Page 129, line 4, strike ''or''.

Page 129, line 7, strike the period and insert ''; or''.

Page 129, after line 7, insert the following:

''(D) are contributing to an increase in the cost of mortgages to homebuyers.''.

Mr. HENSARLING. Mr. Chairman, I actually had alluded to this. I hope that the chairman was able to listen at the time. This goes further into the discussion of the mortgage tax that those of us on this side of the aisle believe is being imposed upon the American people by this so-called Affordable Housing Fund.

Earlier this evening the chairman said that he believes that this will be paid by the shareholders. We believe on this side of the aisle that, due to the duopoly power, the Fannie and Freddie, that they already control roughly 80 percent of the market in which they operate, that a substantial portion of the cost of the so-called Affordable Housing Fund will, indeed, be imposed upon homeowners in the form of higher mortgages, indeed, functionally a mortgage tax, a new mortgage tax on the American people.

I was heartened to hear, although I disagree with his economic analysis, that the chairman has concluded that this will be paid by the shareholders.

My amendment is fairly simple. It amends the section dealing with having the regulator suspend the program. Now, we know that within the language the program can be suspended, essentially, dealing with systemic risk of the economy. What my amendment does is, if the regulator finds out that, contrary to the chairman's opinion, that there is a mortgage tax, that indeed it has an adverse impact upon the cost of housing in America, that mortgages rise, that the program will be terminated.

So, again, I hope I understood the chairman correctly when he said that he thought this cost would go to shareholders. If he does, I would hope that he would accept the amendment. And if the chairman chooses not to accept the amendment, and I am sure the gentleman will let us know soon, then I guess what we are admitting is that, indeed, there is a mortgage tax to be imposed on hardworking homeowners, some of which we heard from earlier this evening from the Fifth District of Texas, and we know how an additional tax is going to adversely impact them in the ability to keep their homes.

So I hope the chairman is right that shareholders, as opposed to homeowners, end up paying this if we are going to be stuck with this particular program.

So this is a very simple amendment that says if we have a mortgage tax, the program is suspended. If we are confident there is no mortgage tax, then there shouldn't be any opposition to this particular legislation.

With that, Mr. Chairman, I request an ''aye'' vote.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this is another effort to try to kill the fund, this time by obfuscation.

We have tried to work out some agreement. There are about 11 different amendments that try to do the same thing. Members should just be ready to be here all night and maybe until Tuesday or come back on Tuesday.

I understand the objections to the fund. What I don't understand is why Members wouldn't be willing to accept two, maybe three chances to defeat it.

Now, with regard to the economics, first of all, there is this myth that we have said it's not coming from anywhere. We do believe that it will come primarily from the shareholders.

By the way, in earlier debates on this, some of the opponents of the bill said the same thing. If you go back and look at the transcripts of our committee, although I can't understand why anybody would want to do that, you will find people saying we were unfairly levying on the shareholders. That didn't work.

There are people who do not believe that the Federal Government should be encouraging the construction of affordable housing, and understand that however we propose to do it, they will object to it. If we try to do it through appropriations, that will be a problem because of the deficit. Here we try to do it by taking, we believe, essentially from the profits of Fannie Mae and Freddie Mac.

Now, as to the legitimacy of their concern, I will repeat, and the gentleman from New Jersey seemed annoyed when I mentioned it, he has an amendment that, by making restrictions on the portfolio of Fannie Mae and Freddie Mac, their main profit generators, would hit their profits far more than anything you could conceivably attribute to this amendment. So it would have, if you believe that this is going to hurt the borrowers, a much more negative effect.

I heard the gentleman from Texas say this is a government-sanctioned duopoly. At one point it might have been. In fact, today, the securitization

market is far more competitive. It's not atomistic, but there are states, economic states, between duopoly and atomic, and this is where we are here. There are significant private competitors to Fannie Mae and Freddie Mac. You will know that because some Members, Mr. Chairman, have heard from them who don't like what we are doing here. And we believe that the primary burden here will come from the shareholders. The notion that Fannie Mae and Freddie Mac can raise prices at will does not seem to me to reflect economic reality.

Now, the gentleman from New Jersey said why don't you pass a statute saying that? That is the naivete of economics. You can't pass a law that says economic reality shall be X or Y or Z. There is an interplay among various forces. We do believe that the great bulk of this will come from the shareholders.

By the way, it amounts to 5 percent of the profit. Other amendments would restrict the profit by far more. And if people legitimately believe that any restriction on the profit was going to hurt the mortgage borrowers, then they wouldn't be offering those other amendments.

There is a common thread here. They don't think the Federal Government should help build affordable housing. We strongly disagree with that. We believe that the Federal Government should. The calculation that is being asked to be made here is a very difficult one to make.

The gentleman prides himself on his economic expertise that he learned some time ago. I don't know where he learned that you could easily make this kind of calculation. There will be legitimate debate.

□ 1815

And by the way, what he does say here is that if at any point it turns out that there is an impact, you know, things can happen slow, the competitive situation can be more or less, a lot of factors will affect this. If at any point it happens, then the fund is permanently shut down. You will note that he strikes the word ''temporarily.'' This is an effort, once again, to kill the fund.

Mr. HENSARLING. Will the gentleman yield?

Mr. FRANK of Massachusetts. Not yet.

I understand people who don't like it. And by the way, I would note again, not the gentleman from Texas, but 209 Republicans in October 2005 voted for legislation that included exactly this sort of fund. Some of us voted against it because of a provision that is not now in this bill that would have kept the Catholic Church and others in the religious field from building housing. But I don't understand why, if it's so terrible today, it wasn't then.

Mr. Chairman, now I will yield to the gentleman.

Mr. HENSARLING. I thank the chairman for yielding.

I want to make it very clear; I have agendas, I don't have hidden agendas. I want to make it very clear, I do disagree with this program. But if we are going to have the program——

Mr. FRANK of Massachusetts. I'm sorry, I didn't hear what you said.

Mr. HENSARLING. Again, I thank the chairman for yielding.

I simply said that you seem to imply that this was designed to somehow kill the program. I just wanted to make it very clear that any way I could get rid of this program, I would. But I would ask the chairman for a clarification.

Mr. FRANK of Massachusetts. I thank the gentleman, and I understand that. And that's clearly what's involved here. And we will hear four or five different ways to do it.

Let me just say this; this has now become a late night TV commercial, it might be a late night debate. It will slice, it will dice, it will cut. We are going to see the magic nine cut knife as a way to kill the Affordable Housing Program. And we will have everybody but a TV pitchman demonstrating it. And maybe he will throw in a few Ginsu knives as well to knock off a couple other programs, but this is simply one more assault out of many that we will hear today on affordable housing.

Mr. PRICE of Georgia. Mr. Chairman, I move to strike the last word, and I yield to the gentleman from Texas.

Mr. HENSARLING. I thank the gentleman for yielding.

I was going to ask the chairman for a clarification. What I heard earlier in the evening is that shareholders will pay the cost of the Affordable Housing Fund. And what I think I'm hearing now is that the shareholders will pay substantially most of the housing fund, which leaves some portion paid by somebody else.

So I am asking the chairman, in his opinion, if it is no longer being paid totally by the shareholders, doesn't that mean that some portion is indeed being paid by the homeowner? Thus, we can debate the quantity of the mortgage tax that will be imposed upon the homeowner. But it seems to me if we've gone from total shareholder payment to substantial shareholder payment, there is a mortgage tax. And I might request the gentleman from Georgia to yield to the chairman for clarification.

Mr. PRICE of Georgia. I yield to the chairman.

Mr. FRANK of Massachusetts. Well, in the first place, the universe is not exhausted by the borrowers and the shareholders. There are banks involved. There are many other people in the transaction. And yes, I think there will be various distributions, of course, and it will differ at different times and different economic circumstances, depending on the competitive situation.

I believe that it is possible in some circumstances a very small percentage of the 5 percent might go on to the mortgages. It is likely to be de minimis. And the answer is it doesn't come just from the shareholders, it comes from the banks, from the mortgage brokers——

Mr. HENSARLING. Thank you.

Mr. PRICE of Georgia. Reclaiming my time.

Mr. FRANK of Massachusetts. I'm sorry for trying to answer the question.

Mr. PRICE of Georgia. I appreciate the chairman's candor, because what we have just heard from the chairman is important because it's the first time that the chairman has recognized and appreciated that, in fact, mortgages will go up, and they will go up on individuals that may be the least able to afford them in this Nation. And therefore, I think the contention of my good friend from Texas, that this is indeed a mortgage tax on individuals least likely to be able to afford them is accurate. I appreciate the gentleman pointing that out.

Mr. BLUMENAUER. Mr. Chairman, I move to strike the requisite words.

Mr. Chairman, one listens to the ebb and flow of this debate, and you sort of lose track of what it is that we are about here this evening.

As Senator Moynihan said, that we're entitled to our own opinions, we're not entitled to our own facts. And perhaps if my friend from Texas had spent less time making up things to try and scare people back home in terms of political fantasy and spent some time dealing with the substance that we have here this evening, we would have less disagreement.

It was cited earlier that this proposal is an experiment in socialism. Well, one can look at the history of how the special status of these entities evolved from being government agencies to being in this special hybrid status of the government-sponsored enterprises. The fact is that the Federal Government sets the ground rules. Congress sets the ground rules.

As my friend, the chairman of the committee, pointed out, that there are costs associated with everything we do. Goals for affordable housing entail some cost. The regulations entail some cost and consequence. Focusing in on the lowest income has some costs and consequences. This is all right. This is what we are about here this evening is to determine whether or not, as Congress exercises its oversight, its focus, that it is appropriate in nature and it is reasonable in its outcome.

Mr. FRANK has pointed out that what we are talking about here, in terms of this fund, is a tiny fraction of the overall profits of multi trillion dollar holdings. He has also pointed out, and something that has not been refuted by our friends who are trying to kill it, is that there are other proposals that they are talking about which would bear far greater impact on the profitability of the enterprises. The question we should be asking is whether the goal is one that is appropriate. And it seems to me very strongly that what has been identified here is an appropriate goal. It is consistent with the

creation of these entities. It speaks to a crying need in community after community.

I would strongly urge that we vote down this and each of these proposals to gut this essential provision that would help us make substantial progress in providing affordable housing for those who need it most.

Mr. SCOTT of Georgia. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I really believe that it is so comical to see our friends on the other side of the aisle come up with the various and different ways to so-called ''skin this cat'' and gut the bill. This is very clever way my great friend from Texas, whom I have great respect for (Mr. HENSARLING), but, Mr. Chairman, let me just read for the RECORD exactly what his amendment says so that we can really fully understand the lengths to creative linguistic judgments that they will go to cleverly try to skin the cat and gut the bill.

Mr. HENSARLING says his amendment will permanently eliminate the Affordable Housing Fund contributions in the case of certain factors in the bill that, as written, merely require a suspension of fund contributions. And two, also requires permanent eliminations of the Affordable Housing Fund contributions if a determination is made that such contributions are contributing to an increase in the cost of mortgages to home buyers. Putting the issue in a considerably complex box.

Now, we know from the dynamics of economics what is happening in our society today, especially in the housing market. We know what the ravages of Hurricane Rita and Katrina has done to the area which we are targeting the bill. We also know that there is no segment in society that is most impacted and in need of affordable housing than the very, very poor, those people who need the help. This is where this bill is being targeted.

And his amendment would prevent the reinstatement of affordable housing funds when a GSE's financial problems temporarily cause a suspension of funds contributions is resolved, and would also create a new condition to shut down the fund that could arbitrarily result in the permanent elimination of the Affordable Housing Fund. That is exactly what the gentleman's amendment does, and that is exactly why we need to defeat it.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. HENSARLING).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. HENSARLING. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Texas will be postponed.

AMENDMENT NO. 21 OFFERED BY MR. HINOJOSA

Mr. HINOJOSA. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 21 offered by Mr. HINOJOSA:

Page 140, line 3, before the semicolon insert the following: ''; except that the Director may, at the request of a State, waive the requirements of this subparagraph with respect to a geographic area or areas within the State if (i) the travel time or distance involved in providing counseling with respect to such area or areas, as otherwise required under this subparagraph, on an in-person basis is excessive or the cost of such travel is prohibitive, and (ii) the State provides alternative forms of counseling for such area or areas, which may include interactive telephone counseling, on-line counseling, interactive video counseling, and interactive home study counseling''.

Mr. HINOJOSA. Mr. Chairman, today I am offering an amendment to the housing counseling amendment that I passed in committee. Today's amendment will permit States to seek a waiver of the in-person pre-purchase housing counseling requirement if the person obtaining the mortgage lives in a remote area of the country, which includes the majority of rural America.

I urge my colleagues to support the amendment.

Mr. Chairman, during the Financial Services Committee mark up of H.R. 1427, I offered an amendment to the Affordable Housing Fund section of H.R. 1427 that requires that homebuyers who fall below 50 percent of the median income obtain pre-purchase in-person housing counseling. The Committee adopted the amendment by voice vote.

My amendment recognizes the fact that we have a very unstable housing market at the moment.

It also acknowledges that minorities are becoming victims of predatory lending, and that the poorest of the poor, which includes a considerable percentage of my congressional district and other rural districts, need financial literacy in general—and in-person housing counseling in particular—before they enter into any kind of loan agreement.

The amendment that passed in committee does not require any funding from the Affordable Housing Fund. The funding for such counseling usually comes from the Department of Housing and Urban Development or the States. My amendment merely requires that existing counseling information be provided in-person for those who fall below 50 percent of the median income, which tends to be renters.

Today, I am offering an amendment to the housing counseling amendment that passed in committee. Today's amendment will permit states to seek a waiver of the in-person pre-purchase housing counseling requirement if the person obtaining that mortgage lives in a remote area of the country, which includes the majority of rural America.

The alternative forms of housing counseling may include interactive telephone counseling, on-line counseling, interactive video conferencing, or interactive home study counseling. A complete waiver of the counseling requirement under Section (g)(2)(d) may be granted only for borrowers for whom it is not possible to provide such alternative forms of counseling. Very few households meet this criteria.

Mr. Chairman, I believe that this amendment No. 21, provides states with the appropriate waiver authority they need to take into account the difficulties of providing in-person housing counseling, Financial Literacy Education, to those living in remote areas of the United States.

I urge my colleagues to support amendment No. 21.

Mr. FRANK of Massachusetts. Mr. Chairman, I am impressed with the precision and exactitude of my friend from Texas. I am actually used to Texans talking slower. I appreciate my friend getting to the point so quickly, and I apologize for my not being there.

It is a very good amendment and I think has been agreed to by both sides.

The gentleman from Texas has been a strong proponent of housing counseling. We all agree that if we had had more of that earlier, we might have less of a problem than we have today. He has been very strong on the questions of literacy. So I very much appreciate this amendment and hope it is adopted.

Mr. HINOJOSA. Mr. Chairman, I yield to the gentleman from Texas (Mr. NEUGEBAUER).

Mr. NEUGEBAUER. Mr. Chairman, we have no objection to the amendment.

Mr. FRANK of Massachusetts. Thank you, Mr. Chairman. Not elegant, but effective. I hope the amendment is adopted.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. HINOJOSA).

The amendment was agreed to.

AMENDMENT NO. 4 OFFERED BY MR. NEUGEBAUER

Mr. NEUGEBAUER. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. NEUGEBAUER:

Page 60, line 2, after ''posed'' insert ''to the enterprises''.

□ 1830

Mr. NEUGEBAUER. Mr. Chairman, I rise tonight to make a clarifying amendment on this bill. One of the things that this bill does is it clarifies the amendment to ensure that the portfolio standard be based solely on the safety and soundness to the enterprises and not any of the broader systemic concerns.

We have the financial housing industry financing model of the world. Because of the model we have in place today, America enjoys one of the highest home ownership rates in the history of this country. More people own a home today than at any time in the history of this country. Primarily a lot of that housing affordability and the ability for Americans has been because of our tremendous secondary market, the ability to provide home mortgages for Americans all over this country.

This legislation clarifies that when the regulator looks at regulating this entity, that he looks at the safety and soundness of that entity and not external factors. Just like when we regulate banks, we set certain standards for their capital, for their loan ratios and all of those other factors, and we should not look at this entity any different than we look at other entities. So really this is a clarifying amendment. It just says we are going to look at the safety and soundness of how this company is running their business.

We shouldn't put things out there that the regulator is not able to, quite honestly, articulate, because what is a systemic risk? That becomes a point of order that sometimes the regulator cannot explain what exactly the systemic risk is they believe it is. It is a way to limit their portfolios.

I want to thank Ms. BEAN of Illinois and Mr. MOORE of Kansas and Mr. MILLER of California for joining me in clarifying the importance of making sure that as we put together a first class world regulator for these very important entities to the American home ownership, that we do not put in place things that would inhibit the ability of these entities to be able to deliver the quality mortgage products that they have delivered to the country over these years.

So I think this is a very clear amendment. It clarifies the language and makes sure we don't have any question about what the intent of the regulator is and what the duty of the regulator is. I encourage my colleagues to support this amendment.

Ms. BEAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise today in support of H.R. 1427. I want to thank Chairman FRANK for his hard work in crafting such a strong GSE reform bill, and I am pleased that the Financial Services Committee was able to move this bill to the floor so quickly. Passage of this legislation is necessary to further strengthen the U.S. financial system and is essential in establishing a sound regulatory environment for the housing GSEs, Fannie Mae, Freddie Mac and the Federal Home Loan Banks.

In order to ensure that the GSEs are able to perform their Congressionally chartered functions as efficiently, successfully and safely as possible, Congress must put into place a robust, world class regulator capable of overseeing the safety and soundness of Fannie Mae and Freddie Mac's operations as well as their housing mission.

However, over the last several months, as Congress has considered how best to achieve this goal, much attention has been drawn to the scope of the new regulator's authority in developing criteria to oversee Fannie Mae and Freddie Mac's portfolios, which are critical in providing liquidity and stability to our Nation's housing market.

On this issue in particular, I believe Chairman FRANK's intent in crafting this legislation has been clear from the beginning, to provide bank-like oversight authority, to ensure the safe and sound operations of the GSE portfolios.

However, when asked about the portfolio language Chairman FRANK negotiated with Secretary Paulson, James Lockhart, the current GSE regulator, was quoted in January as saying, ''My view is that inherent in any safety and soundness activity, one has to be concerned about systemic risk, and I don't think it has to say the word to have that as a potential consideration.'' In contrast, during the committee's oversight hearing, Chairman FRANK once again reiterated what has been his consistent view, that the language was envisioned to only cover mission and safety and soundness concerns.

This apparent ambiguity about the interpretation of the bill's portfolio language fueled concerns on both sides of the aisle and underscores the need to clarify its intent.

Mr. Chairman, the term ''safety and soundness'' is a well-defined term in banking law and regulation. What is less clear is the application of a so-called systemic risk standard. First, there is no systemic risk standard applicable to banks or financial services holding companies, and certainly no such standard imposed on the mortgages they hold.

Second, the question of whether or not to apply a systemic risk standard to Fannie Mae and Freddie Mac has already been asked and answered definitively by this House. In the 109th Congress, Representative ROYCE offered an amendment to the GSE reform authorizing systemic risk as a consideration for regulating the GSE portfolios. This amendment was overwhelmingly rejected on a bipartisan vote of 346–73.

Such a strong repudiation highlights several of the questions the proponents of systemic risk have been unable to adequately address. Number one, how to define it; two, demonstrate how there could be a systemic risk to the overall economy that would not first trigger safety and soundness concerns to the enterprises themselves; and, three, why should GSEs be held to a different standard than other holders of mortgage assets.

Furthermore, Mr. Chairman, I was extremely concerned yesterday following the administration's release of its official Statement of Administration Policy. In it, the administration suggests that the portfolio authority contained in H.R. 1427 helps to address the systemic risk that Fannie Mae and Freddie Mac pose to our financial system.

The SAP leaves no doubt that the administration interprets the current language of H.R. 1427 to authorize an application of systemic risk, which is why I urge my colleagues to support this bipartisan amendment I am offering today with Representatives NEUGEBAUER, MOORE and MILLER. As it did in the 109th Congress, the House must once again reject the vague notion of systemic risk and be clear that it is not intended to be a criterion applied by the new GSE regulator.

This amendment is very straightforward. It would ensure if there is sufficient risk posed to each company, the regulator would have the authority to adjust the portfolio. However, the regulator would not be authorized to shrink, cap or limit the size of the GSE portfolios based simply upon a nebulous determination that the portfolios are too large or that they might pose a risk to the overall system.

Again, I want to thank Representatives RANDY NEUGEBAUER, DENNIS MOORE and GARY MILLER for their support and hard work on this issue. I am pleased the amendment has received such strong and broad-based support. I am equally pleased to see that portrayed associations representing the leaders have endorsed this amendment.

Mr. GARY G. MILLER of California. Mr. Chairman, I move to strike the requisite word.

I rise in support of this amendment. The GSE regulator should have authority to limit the size and growth of a GSE portfolio, but specifically addressing safety and soundness are mission concerns with respect to the institution. This was clearly the intent of the language that was introduced within the bill, and this merely clarifies the language in this amendment.

This is a clarifying amendment, not a weakening of the regulator, and that needs to be clearly understood. The amendment mitigates concerns that the regulator could establish an overly broad scope in viewing possible risk to the portfolio.

The goal of this bill is to create a strong regulator. This bill creates that. But such an overly broad view could lead to unnecessary limits on the enterprise's portfolio activity to the detriment of the housing financing system.

The amendment would simply add three words, those are ''to the enterprise,'' to Factor 6 of section 115, so the language would read ''any potential risks posed to the enterprise by the nature of the portfolio holding.''

Systemic risk can be considered by the regulator, it just must be in the context of safety and soundness and the mission of a GSE. The problems we are having in the housing market today are basically in the subprime and the jumbo market. The reason is because about 18.1 percent of those loans are fixed-rate, 30-year loans. If you look at the conforming marketplace, 82 percent is a fixed-rate, 30-year loan.

The problem in the marketplace is not GSEs in the conforming. The problem is in the subprime and jumbo. So you don't want a regulator to look at the problem in the marketplace and say let's limit the portfolio of a GSE, and restrict the only sector of the marketplace that is not having a high amount of defaults and foreclosures, to the detriment of the marketplace.

If you go back to the 1980s and the 1990s when this country was in a major

housing recession, if you went to a lender, it was almost impossible to get a loan if you did not comply with the conforming requirements. They would not make you a loan to build a house. And if you wanted to buy a house, it had to be based on the underwriting criteria of the conforming marketplace. Thereby, the lender could take and sell that loan off to the conforming market, which are the GSEs.

Lenders at that point in time were facing foreclosures and default rates and having to set aside reserves to deal with it. They did not have the assets to go make loans and hold those loans in their portfolios, because they were limited based on the defaults they currently had. But they would make loans that met the criteria of the GSEs and the conforming marketplaces. Thereby you could go get loans.

This amendment takes no authority out of the regulator's hands to address systemic risk related to safety and soundness or mission of the enterprise. But that is what we need to understand. If the enterprises' portfolio are properly regulated from the standpoint of safety and soundness, the issue of systemic risk becomes moot. Therefore, a broader scope of regulation of portfolios is overreaching and unnecessary in addressing this safety and soundness.

The House previously rejected systemic risk in an amendment in the 2005 bill by a vote of 73 to 346. At that point in the bill, in the 109th Congress, we wanted to make sure that systemic risk only applied within the GSEs, not something outside, and it was clearly defeated. We did the right thing.

The amendment is consistent with the agreement and with the statements by the Treasury and OFHEO and the portfolio provisions. The language is not intended in any way to weaken the agreement with the Treasury. Rather, it is an attempt to clarify the language in the bill to better reflect that agreement.

As an original cosponsor of this bill, I believe this amendment is consistent with our intention for the portfolio provisions. Treasury Under Secretary Robert Steel confirmed this in his testimony to the committee on March 15 in an exchange with Chairman FRANK, when Chairman FRANK noticed that the current language ''could go beyond the safety and soundness mission.''

Chairman FRANK suggested to Secretary Steel that the language should be improved to ensure that the provisions would not be used beyond the scope, and Steel agreed at that point in time.

Similarly, OFHEO Director Lockhart testified, ''My reading of the systemic risk is it's part of a regulator's job; it's part of safety and soundness.''

Further, in a letter following the hearing, Lockhart wrote, ''We did agree that systemic risk outside of safety and soundness should not be a part of the regulator's approach.''

What they are saying in our bill is that this needs to be clarified. This language does that. It is harmful to the housing markets to reduce GSE portfolios when it is absolutely unnecessary.

We have to look at history and this GSE market has been very good. This amendment has been supported by the National Association of Realtors, the National Association of Homebuilders, the National Association of Mortgage Brokers, the National Association of Federal Credit Unions and the Independent Community Bankers of America.

This is a good amendment, and I request an ''aye'' vote.

Mr. MOORE of Kansas. Mr. Chairman, I move to strike the last word.

As a cosponsor of this amendment, I rise in support of the effort of my colleagues from Illinois, Texas and California to amend and clarify language in H.R. 1427. I have served on the Financial Services Committee since I was elected to Congress in 1998, and in that time I have learned about the regulation of financial institutions.

I strongly believe, Mr. Chairman, that the regulators of financial institutions likes GSEs, should have its authority to assess the risk of an enterprise and to protect the safety and soundness of those entities.

H.R. 1427 grants the new regulators strong authority to promote safety and soundness. Within the scope of that authority is the power to require the GSEs to alter their portfolios in accordance with that goal. I am not aware of any financial institution whose regulator has the power to alter their business on the basis of potential risks it poses to the broader financial markets.

Passage of this amendment would clarify the duties of the new regulator to focus on risk to the enterprises, which is consistent with the authority that other regulators to financial institutions currently possess.

Mr. Chairman, GSEs fill a vital role in the housing market by providing stability, liquidity and affordability. The new regulator has the responsibility of ensuring the safety and soundness of GSEs, and in doing so it will protect the viability of the GSEs.

In keeping with the purpose of H.R. 1427, the Bean-Neugebauer-Moore-Miller amendment will ensure that there is certainty within the markets so that Freddie Mac and Fannie Mae will be able to continue to serve their charter, while being subject to new, robust regulation.

Mr. Chairman, I urge my colleagues to adopt this.

□ 1845

Mr. BAKER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, reluctantly, I must speak with concern about the gentleman's underlying proposed amendment. There are more than sufficient reasons for me to express these concerns in my opinion.

Going back briefly into the record of the difficulties of Fannie Mae and Freddie Mac of their derivatives portfolio, I bring to the House's attention this OFHEO special report issued in 2003 in which they determined that senior management and the board were quite aware that the skills and systems in corporate accounting were at the least challenged, and that the derivatives group lacked sufficient knowledge and training to administer the risk.

Nonetheless, they chose to move forward with an approach to FAS 133 hedging that was complicated requiring huge volume of monthly accounting events as hedges were designated, and chose to structure some very complicated securitization transactions without proper guidance.

In looking at the annual shareholder report, under their derivatives disclosure, they state: ''We principally used the following types of derivatives: Euro Interbank offered rate interest rate swaps; LIBOR based options including swaptions; LIBOR exchange traded futures and foreign currency swaps.

If we go further and look to the counterparties with which the enterprises now must engage hedging strategies, we find that Deutsche Bank holds $38.952 billion of Freddie's; BNP Paribas, $28.156 billion; Barclays, $22 billion; Dresdner Bank, $4 billion; and please excuse me because my German is poor, Kreditanstalt fur Wiederaufbau holds $2.5 billion.

Now in understanding why we should have concern about the restraint of a regulator's authority to analyze the portfolio, the underlying safety and soundness conditions, and the elements of world economy that surround their hedging strategies, one only has to remember for a short moment the days surrounding LTCM when there was a Russian currency liquidity crisis, and people who had no expectation across several different currency transactions and swaps, were called upon to liquidate their positions and make cash available and were unable to do so.

It led the Federal Reserve to meet an emergency session in the New York Fed office, and they were surprised to see who was sitting around the table holding these positions, including many commercial banks of whom they had no knowledge were participants.

Let me say it this way, if you don't care about any of that, of our insured depository institutions in this country, almost 8,000, of the tier one capital requirement, that is money you have to have by law in your sock drawer. That says if it rains, you have money to mop up the floor. Almost 50 percent of them meet their tier one capital requirement by holding GSE securities. My goodness, if there were to be the slightest of stumble, it goes to the core of our financial depository institution's safety and soundness.

There are foreign central banks invested in Fannies and Freddies, and if you don't care about that, at least think about your pensioners. There are billions of dollars of Fannies and

Freddies spread across this economic fabric woven together in an extrinsically complicated matter, and we are going to tell this regulator you can only look through the keyhole, you can't look at the room? It makes no sense.

Now I know I will probably lose on this position. The home builders are a powerful enterprise. But for the record, I want to be loud and clear, this is a mistake.

Mr. Chairman, I would be happy to yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. The gentleman from Louisiana has consistently been one of the most constructive Members in this regard. Some of us were not as tuned in as we should have been earlier, and I appreciate that.

I differ with him somewhat in emphasis here because I do think if there were to be any of the threats that he very lucidly and cogently outlines, they would have to involve a threat to the safety and soundness of Freddie and Fannie. That is, I have a metaphor problem. I don't see Freddie and Fannie as pulling down the temple without getting a couple of rocks in their own head. But I do understand it is a matter of concern.

Let me also add, I have some uneasiness because I have worked very closely, and all of us here have been the beneficiary of the very thoughtful approach of Secretary of the Treasury Paulson and Under Secretary Steel. We have come to some agreements.

The Acting CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the last word.

As I was saying, Secretary Paulson and Under Secretary Steel made it possible for us to come to agreement.

I would like to say to Mr. BAKER, as he looks and as I look at who has come there, and I think some statements were made that shouldn't have been made that made people nervous. I want to give my friend from Louisiana and others the assurance, Mr. Chairman, that assuming this wins, and it looks likely to, I don't consider it to be the last word on the subject. I think the concerns he has talked about are legitimate.

We are going to have a bill from the other body, and we will get to a conference. I want to promise that I plan to continue to work with the gentleman from Louisiana, as well as the ranking members on the other side, the Secretary of the Treasury. We win here and we are going there. Maybe we have to move back a little bit. I understand where this comes from.

I agree with him that I don't think there is a point now in trying to fight it here, but I do want to acknowledge that I don't consider it a solely settled issue, and I am hoping that we will find some way to accommodate the very legitimate concerns that he has as we go further.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from Louisiana.

Mr. BAKER. I certainly appreciate the chairman's comments and his recognition that the posture of the bill, if this amendment is adopted, may need further examination. I look forward to working with him on it.

On a broader matter, let me say as to the construction of the bill generally, the chairman has done an extraordinary job of giving the regulator the powers and tools that he needs, save in this one area. I hope in moving forward, we can construct a box that makes appropriate regulatory sense. The Treasury has expressed these concerns to me tonight, and I am expressing those views on their behalf as well.

Mr. FRANK of Massachusetts. Let me say, I appreciate that. The Treasury has chosen well in having you do it. I just want to give you my commitment that we will continue to work on this issue.

Mr. HENSARLING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wish to associate myself with the comments of the gentleman from Louisiana. I, too, wish to raise my voice loud and clear on the issue, but certainly in a far less articulate manner than the gentleman from Louisiana who is well versed on this issue.

In my opinion, Mr. Chairman, the only thing worse than a regulated monopoly is an unregulated monopoly. I don't necessarily trust private companies. I trust competitive marketplaces, and wherever Fannie and Freddie goes, I feel the competitive marketplace leaves.

Since I have been on the committee 4½ years now, we have heard frequently from our past Federal Reserve chairman and our present Federal Reserve chairman. Their voices could not be more clear on the matter that they believe the GSEs pose a very significant systemic risk to our economy.

Now in a competitive marketplace, you are punished for misleading accounting. In a competitive marketplace, you are punished for bad business decisions. In a competitive marketplace, you are certainly, certainly punished for fraud. We no longer have an Enron. We no longer have a WorldCom. We no longer have an Arthur Andersen. We no longer have a New Century.

A competitive marketplace, before they could lead to systemic risk, took care of those who may have engaged in faulty accounting, fraud, or poor business decisions.

But that is not the case with Fannie and Freddie. And now where we finally have empowered the regulator to do something, the first thing we do is clip his wings. I just feel on this matter, I am going to listen to Chairman Greenspan and I am going to listen to Chairman Bernanke, and I don't totally know the impact of the language of the people who offered the amendment, including my dear friend from Texas, completely, I don't know if I completely understand its impact, but what it seems to do, all of a sudden it seems to say well, the regulator can make sure that Fannie and Freddie can't harm themselves, but they can't make sure that they don't harm the rest of us. That is my interpretation of this amendment.

So again, if we are going to sanction a government, if we are going to create essentially a duopoly, and the last time I looked at the records controlled 80 percent of the market in which they operate, and as opposed to retrenching, they seem to prosper when they misstate their earnings, when they have billions and billions of misstated earnings, when they mislead the government and when they mislead their investors, when they couldn't produce audited financials in years, and, I believe, hold more debt than the publicly held debt of the Federal Government, I think we ought to err on the side of strengthening the regulator's ability to protect us by the systemic risk of what we, we in Congress, have created in the first place.

So I, too, wanted to raise my voice loud and clear on this issue. I certainly appreciate the chairman's willingness to work with the gentleman from Louisiana and others of us on the committee who are very concerned about the potential systemic risk posed by the activities of Fannie and Freddie.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. NEUGEBAUER).

The amendment was agreed to.

AMENDMENT EN BLOC OFFERED BY MR. FRANK OF MASSACHUSETTS.

Mr. FRANK of Massachusetts. Mr. Chairman, as the designee of the Members I am about to name, I ask unanimous consent that the following amendments be considered en bloc: No. 2 from Ms. EDDIE BERNICE JOHNSON of Texas with a modification which is at the desk; No. 3 from Mr. BOOZMAN; No. 6 from Mr. TERRY; No. 7 from Mr. DONNELLY; No. 11 from Mr. BLUNT; No. 20 from Mr. MCCAUL of Texas; and No. 31 from Mr. BAKER.

I ask further that the debate on the amendment en bloc and any amendment thereto be limited to 20 minutes, equally divided and controlled by the majority and minority.

I am proud to report that I am the designee of all these people. I have rarely been so popular.

The Acting CHAIRMAN. The Clerk will designate the amendments.

Amendment en bloc consisting of amendment Nos. 2, 3, 6, 7, 11, 20 and 31 offered by Mr. FRANK of Massachusetts:

AMENDMENT NO. 2 OFFERED BY MS. EDDIE BERNICE JOHNSON OF TEXAS

The text of the amendment is as follows:

Page 140, line 3, before the semicolon insert the following: ''and a program of financial

literacy and education to promote an understanding of consumer, economic, and personal finance issues and concepts, including saving for retirement, managing credit, long-term care, and estate planning and education on predatory lending, identity theft, and financial abuse schemes, that is approved by the Director''.

AMENDMENT NO. 3 OFFERED BY MR. BOOZMAN

The text of the amendment is as follows:

Page 139, strike lines 22 through 25 and insert the following:

''(D) is made available for purchase only by, or in the case of assistance under this paragraph, is made available only to, homebuyers who have, before purchase—

''(i) completed a program''.

Page 140, after line 3, insert the following:

''(ii) demonstrated, in accordance with regulations as the Director shall issue setting forth requirements for sufficient evidence, that they are lawfully present in the United States; and''.

AMENDMENT NO. 6 OFFERED BY MR. TERRY

The text of the amendment is as follows:

Page 303, line 4, strike ''and''.

Page 303, after line 4, insert the following:

(B) in the first sentence, by inserting after ''less than one'' the following: ''or two, as determined by the board of directors of the appropriate Federal home loan bank,''; and

Page 303, line 5, strike ''(B)'' and insert ''(C)''.

AMENDMENT NO. 7 OFFERED BY MR. DONNELLY

The text of the amendment is as follows:

Page 140, line 3, before the semicolon insert the following: '', except that entities providing such counseling shall not discriminate against any particular form of housing''.

AMENDMENT NO. 11 OFFERED BY MR. BLUNT

The text of the amendment is as follows:

Page 154, line 6, strike the closing quotation marks and the last period.

Page 154, after line 6, insert the following:

''(p) FUNDING ACCOUNTABILITY AND TRANSPARENCY.—Any grant under this section to a grantee from the affordable housing fund established under subsection (a), any assistance provided to a recipient by a grantee from affordable housing fund grant amounts, and any grant, award, or other assistance from an affordable housing trust fund referred to in subsection (o) shall be considered a Federal award for purposes of the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note). Upon the request of the Director of the Office of Management and Budget, the Director of the Federal Housing Finance Agency shall obtain and provide such information regarding any such grants, assistance, and awards as the Director of the Office of Management and Budget considers necessary to comply with the requirements of such Act, as applicable pursuant to the preceding sentence.''.

AMENDMENT NO. 20 OFFERED BY MR. MCCAUL OF TEXAS

The text of the amendment is as follows:

Page 154, line 3, after the period insert the following: ''Notwithstanding any other provision of law, assistance provided using amounts transferred to such affordable housing trust fund pursuant to this subsection may not be used for any of the activities specified in clauses (i) through (vi) of subsection (i)(6).''.

AMENDMENT NO. 31 OFFERED BY MR. BAKER

The text of the amendment is as follows:

Page 23, line 16, strike ''5 members'' and insert ''3 members''.

Page 23, line 20, after the semicolon insert ''and''.

Page 23, line 22, strike ''; and'' and insert a period.

Strike line 23 on page 23 and all that follows through line 5 on page 24.

MODIFICATION TO AMENDMENT NO. 2 OFFERED BY MS. EDDIE BERNICE JOHNSON OF TEXAS

The Acting CHAIRMAN. The Clerk will report the modification to amendment No. 2.

The Clerk read as follows:

Modification to amendment No. 2 offered by Ms. EDDIE BERNICE JOHNSON of Texas:

In lieu of amendment No. 2, on page 140, line 3, before the semicolon insert the following: ''and a program of financial literacy and education to promote an understanding of consumer, economic, and personal finance issues and concepts, including saving for retirement, managing credit, long-term care, and estate planning and education on predatory lending, identity theft, and financial abuse schemes relating to homeownership that is approved by the Director''.

Mr. FRANK of Massachusetts (during the reading). Mr. Chairman, I ask unanimous consent that the modification be considered as read and printed in the RECORD.

The Acting CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Acting CHAIRMAN. Without objection, amendment No. 2 is modified and the amendments shall be considered en bloc.

There was no objection.

The Acting CHAIRMAN. Without objection, the gentleman from Massachusetts (Mr. FRANK) and a member of the minority each will control 10 minutes.

There was no objection.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to one of the authors, the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON).

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, I rise today to support this amendment and certainly want to thank the chairman of the committee and other members of the committee.

My amendment, as modified, addresses the need for public knowledge and understanding of basic financial principles. It also seeks to reduce our Nation's already enormous consumer debt. My amendment requires that anyone who receives Federal assistance through the affordable housing fund committee attend a financial literacy program.

We must educate our Nation's consumers to make informed decisions when managing their personal finances. Many consumers, especially first time homeowners, do not fully understand the complex financial agreements into which they are entering. For most families, their home is their single largest financial investment.

Therefore, it is vital to provide working families with the knowledge on how to buy and keep their homes. The number of foreclosures rise every month all over the country. And in the Dallas area, we have one of the highest foreclosure rates in the Nation.

My amendment will work to reduce the number of foreclosures and solidify a strong housing market. Education truly is the key to building a strong housing market and strong communities. Homeownership is a dream for many Americans. It represents security and it builds pride in our neighborhoods, and it is essential in creating positive, productive communities.

My amendment will help families fully understand their financial commitments and allow them to successfully achieve their part of the American dream.

I appreciate the chairman including my amendment en bloc.

The Acting CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. NEUGEBAUER) for 10 minutes.

Mr. NEUGEBAUER. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas (Mr. BOOZMAN).

□ 1900

Mr. BOOZMAN. Mr. Chairman, I thank the gentleman from Texas for yielding me so much time.

In the interest of trying to curry favor with the gentleman from Massachusetts and the gentleman from Texas, I'll be very, very brief.

My amendment is a very commonsense amendment that ensures that any homeowner applying for or receiving assistance through the affordable housing funds are in the United States legally.

Not passing this amendment will only make it possible and probable, highly probable, that people residing in this country illegally will receive these benefits at the expense of U.S. taxpayers.

Mr. FRANK of Massachusetts. Mr. Chairman, first I yield myself 30 seconds to thank the gentleman from Arkansas.

There are actually four amendments trying to achieve the same purpose. I must say I thought his did it in the best possible way, leaving flexibility. There may be legislation adopted. I am hoping this may save us some time later, but I do want to say we completely agree.

Let's be clear now, with the adoption of this amendment, no one will be able to benefit from the Affordable Housing Fund who cannot demonstrate that he or she is legally in this country. I think that was very helpful. I'm glad that it's going to go through unanimously, and I thank the gentleman from Arkansas for the straightforward way in which he did it.

Mr. Chairman, I believe there are no Members left on our side who need to be recognized, so I reserve the balance of my time.

Mr. NEUGEBAUER. Mr. Chairman, it's my pleasure to yield 5 minutes to the gentleman from Texas (Mr. MCCAUL).

Mr. MCCAUL of Texas. Mr. Chairman, I rise today in support of an important amendment to H.R. 1427. As we all know, the underlying bill creates an Affordable Housing Fund. In addition, the bill provides for the establishment of an Affordable Housing Trust Fund, should Congress decide to create one in the future. All the moneys from the Affordable Housing Fund would then be transferred into the Affordable Housing Trust Fund.

While I have serious concerns that a fund like this creates the opportunity for fraud, waste and abuse, and detracts from the bipartisan goal of GSE reform, I would like to commend the chairman of the Financial Services Committee for including in the bill a list of prohibited uses for the housing fund grants. These prohibitions include political activities, advocacy and lobbying.

I know that my friends on the other side of the aisle agree with me when I say that government grants should not be used to fund political activities of any sort. If they didn't, they would not have included it in this bill.

My amendment simply applies the exact same restrictions on any future trust fund. While an argument can be made against this amendment that the prohibitions are implied in the text of the bill, it is important in my view that when we are dealing with the taxpayers' dollars that we are as clear and explicit as possible.

I thank the chairman.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MCCAUL of Texas. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. I thank the gentleman. I really appreciate his offering this amendment. As I said, I understand there will be some philosophical differences over the existence of the fund, but it certainly is incumbent upon us to make sure that that's all we're debating, not whether it would be misused or abused.

We tried to deal with that. You never anticipate everything, and the gentleman's amendment is a very good addition of the kind of safeguards we want so that we can be debating the real issue and not other things, and so I am grateful that you're offering it.

Mr. MCCAUL of Texas. I thank the chairman.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana (Mr. DONNELLY).

Mr. DONNELLY. Mr. Chairman, my amendment, along with my good friend and colleague, Mr. FEENEY from Florida, will ensure that pre-purchase financial counselors for low income, first-time home buyers who are to receive Affordable Housing Fund grant moneys do not discriminate against any particular form of housing in the performance of their duties or rendering financial advice.

My amendment will prohibit any existing biases from entering into the financial advice that counselors administer to first-time home buyers, and it ensures that the advice that they are providing is strictly financial, not editorial.

These first-time home buyers need to have access to information about all of the types of affordable housing that is available to them, whether it is a manufactured home, condominium or any other form of quality affordable housing.

We want to ensure that the people who benefit from this program have all of the information they need to make a sound decision based on their financial needs, but counselors should not steer them to or away from specific types of housing.

Mr. Chairman, I urge my colleagues to support this amendment, and I see that my good friend Mr. FEENEY is on the floor as well.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 1½ minutes to the gentleman from Florida (Mr. FEENEY).

Mr. FEENEY. Mr. Chairman, I will not need that much. I thank the chairman. I thank Congressman DONNELLY.

I think it is important as we get people into counseling to give them the best advice about how they can qualify for good loans and how can get good credit and how they can take care of their financial needs as they move into housing that we not allow counselors to be biased in the forms of the housing that they may like or not, but give all of the options out to the customers.

I want to applaud the gentleman for his good amendment. I want to encourage my colleagues to join in supporting it.

Mr. FRANK of Massachusetts. Mr. Chairman, how much time do I have remaining?

The Acting CHAIRMAN. The gentleman from Massachusetts (Mr. FRANK) has 6 minutes remaining. The gentleman from Texas (Mr. NEUGEBAUER) has 7½ minutes remaining.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 2 minutes. I don't see other sponsors.

Just to say, in the absence of the minority, I don't mean to be presumptuous and others may want to speak as well, but one of the amendments we're adopting was offered by the gentleman from Missouri, the minority whip, to require that any assistance provided in the fund from the National Affordable Housing Trust Fund be considered a Federal award for the purposes of the Federal Funding Accountability and Transparency Act, full disclosure, et cetera.

I appreciate, once again, the gentleman from Missouri offering this. I have heard the gentleman from Texas' amendment. These are two safeguards that we neglected to put in.

What it makes clear is that while this is not going to be Federal funding, it will be treated, since it comes from this Federal enactment, with all of the safeguards that would apply if it were Federal funds. And I think the whip has done a very good job in doing this. He's picked up an existing set of rules, and this is one more example I think of the extent to which, and I know this doesn't do away with all the controversies, but it does allow us to argue, as I said, on a philosophical basis.

So I just want to acknowledge my appreciation to the whip for coming up with this, and I'm glad we're able to adopt it.

Mr. Chairman, I reserve the balance of my time.

Mr. NEUGEBAUER. Mr. Speaker, we have no other people to speak on this en bloc, and so I yield back the balance of my time.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield back the balance of my time.

The Acting CHAIRMAN. The question is on the amendment en bloc offered by the gentleman from Massachusetts (Mr. FRANK).

The amendment en bloc was agreed to.

AMENDMENT NO. 14 OFFERED BY MR. MCHENRY

Mr. MCHENRY. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 14 offered by Mr. MCHENRY:

Page 156, line 4, after ''Congress'' insert ''and the Director of the Federal Housing Finance Agency''.

Page 156, after line 4, insert the following new subsection:

(e) DETERMINATION AND SUSPENSION OF ALLOCATIONS.—Not later than the expiration of the 3-month period that begins upon the expiration of the period referred to in subsection (d), the Director of the Federal Housing Finance Agency shall review the report submitted pursuant to such subsection and shall make an independent determination of whether the requirement under section 1337(b) of the Housing and Community Development Act of 1992 (as added by the amendment made by subsection (a) of this section) that the enterprises make allocations to the affordable housing fund established under section 1337(a) of such Act—

(1) will decrease the availability or affordability of credit for homebuyers of one- to four-family residences; or

(2) will increase the costs, to homebuyers, involved in purchasing such residences.

If the Director determines that such requirement will decrease such availability or affordability, or will increase the costs of purchasing such residences, notwithstanding such section 1337(b) or any other provision of law, the requirement under such section to allocate amounts to the affordable housing fund shall not apply, and shall not have any force or effect, with respect to the year in which such determination is made or any year thereafter.

Mr. MCHENRY. Mr. Chairman, I want to start by commending the ranking member, SPENCER BACHUS, and the chairman of the Financial Services Committee, Mr. FRANK, for the open dialogue that we've had in the Financial Services Committee and here on the floor. This amendment process I think has been a healthy one, and I appreciate the chairman engaging in this debate.

The amendment that I offer today builds on an amendment offered and passed in the committee during markup, which I participated in and which I voted for the amendments as well. It requires a GAO study to investigate the Affordable Housing Fund's effects on availability and affordability of credit for home buyers. That's what the amendment added to the bill.

Essentially the GAO study will tell if the costs of the funds are being passed on to home buyers. Some of us on this side of the aisle, many free market conservatives, believe that what is deemed the Affordable Housing Fund, the Housing Trust Fund, will be passed on straight to the mortgage consumers of America; in essence, a tax increase on those who have mortgages, especially middle income individuals.

My amendment takes what is in the bill and goes it one step further. If, as a result of the GAO's report, the Director of the Federal Housing Finance Agency determines that the Affordable Housing Fund is increasing mortgage costs for consumers, my amendment suspends the assessment of Freddie and Fannie. I think this is a healthy thing.

As the bill stands, Freddie and Fannie will allocate an amount equal to 1.2 basis points of their total portfolio to the fund for fiscal years 2007 through 2011. Over these 5 years, the fund will accumulate an estimated $3 billion for the purposes of these housing initiatives. But Fannie and Freddie are publicly traded companies, and as someone who analyzed the economics of this, I'm concerned that a 1.2 basis point assessment of the total portfolio will simply be a 1.2 percent tax increase on those that have mortgages.

And what I want to make sure is those costs are not going to be passed on to the consumer. What I'm concerned about is that it will be a mortgage tax increase, and that is the reason why I have concerns about the housing fund as it now stands.

So what my amendment does is alleviate those concerns, and if my amendment passes, I think it would be far easier to accept the housing fund as it now stands, and that is my big concern with the bill.

I want to commend the chairman for putting in much-needed reforms to Fannie and Freddie and the government-sponsored enterprises, and we want to make sure that middle income Americans, middle income home buyers will be able to have affordable access to mortgages. That's what Fannie and Freddie are there for. We want to make sure that this does not raise and increase the cost of home buying.

I would ask my colleagues to support my simple amendment that would alleviate some concerns that we, on this side of the aisle, a few on this side of the aisle, have with this bill, and I encourage my colleagues to vote for it.

Mr. SCOTT of Georgia. Mr. Chairman, I move to strike the last word.

In response to the gentleman's amendment, let me just try to cut through a lot of this to get to exactly why we oppose this amendment and why it's important. And again, this amendment is again designed to obliterate the program.

Now, it's very important for us to understand, we're dealing right now with a very volatile housing market. We're dealing with a situation where the subprime market has melted down. We're dealing with a situation where we've had record foreclosures. We're dealing with a situation where the area we're targeting this to go to first for the first year has suffered the worst natural disaster, where people are homeless as we speak.

There is a need for government. We have a constitutional responsibility to take care of the public interests. If there ever was a need for the public interest, it is needed in affordable housing. We do not need this kind of amendment that in effect does this, all the studying he may want to say, and I respect the gentleman from North Carolina. I do not question his motives, and I do not dislike him as a person. I just dislike greatly his amendment because his amendment goes, again, at the effort to cut this bill, which is totally designed for the least of us, for people that can't afford it, for people that need our help.

That's why we have this measure, and when you look at the marketplace, you cannot apply the activities of the free marketplace dealing with housing and put all of the convertibles you want to put on it as it applies to middle class or upper class individuals. We're not dealing with people with money. We're dealing with people that don't have any money. That's why we're providing this measure to them.

So that if your amendment goes into effect, in effect you will be requiring the Director to determine if the GSE's allocations to the fund will decrease the availability or affordability of credit to home buyers or will increase the costs to home buyers. If the Director determines that the GSE's allocation to the fund will decrease the availability or affordability of credit to the home buyer will increase the costs to the home buyers, the requirement to allocate amounts to the funds shall be terminated.

□ 1915

All of that power you are putting arbitrarily into a person's hands to say, on his whim, kill the program, done with the program, based upon what he sees and what he says. That's why this bill, this amendment, must be defeated, and we recommend strongly a ''no'' vote on your amendment for that reason.

The Acting CHAIRMAN. The Committee will rise informally.

The SPEAKER pro tempore (Mr. AL GREEN of Texas) assumed the chair.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Ms. Curtis, one of its clerks, announced that the Senate has passed with an amendment in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 1495. An act to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes.

H.R. 2206. An act making emergency supplemental appropriations and additional supplemental appropriations for agricultural and other emergency assistance for the fiscal year ending September 30, 2007, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 1495) ''An Act to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes,'' requests a conference with the House on the disagreeing votes of the two Houses thereon, and that on May 17, appoints Mrs. BOXER, Mr. BAUCUS, Mr. LIEBERMAN, Mr. CARPER, Mrs. CLINTON, Mr. LAUTENBERG, Mr. INHOFE, Mr. WARNER, Mr. VOINOVICH, Mr. ISAKSON, and Mr. VITTER, to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 2206) ''An Act making emergency supplemental appropriations and additional supplemental appropriations and additional supplemental appropriations for agricultural and other emergency assistance for the fiscal year ending September 30, 2007, and for other purposes,'' requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD, Mr. INOUYE, Mr. REID, Mr. COCHRAN and, Mr. MCCONNELL, to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of committee of conference accompanying the bill (S. Con. Res. 21) entitled ''Concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2008 and including the appropriate budgetary levels for fiscal years 2007 and 2009 through 2012.''.

The SPEAKER pro tempore. The Committee will resume its sitting.

FEDERAL HOUSING FINANCE REFORM ACT OF 2007

The Committee resumed its sitting.

Mr. NEUGEBAUER. Mr. Chairman, I move to strike the last word, and I yield to the gentleman from North Carolina.

Mr. MCHENRY. Mr. Chairman, I thank my colleague from Texas for yielding. I want to thank my colleague across the aisle for his informative discussion. I respect him immensely. I appreciate him laying out his arguments against my amendment.

What I would say is that we both have the same intent, affordable housing for as many Americans as possible. That should be the intent with this legislation, and I think it does, in terms of the reforms implemented for the government-sponsored enterprises that we are talking about today. The concern that I have is that, in essence, we are going to be taxing the middle class, and those that are on, let's say, lower middle class, which the government-sponsored enterprises, Fannie and Freddie were provided to provide liquidity in the marketplace.

We are going to be taxing those mortgages to pass it on to people who, you said, don't have money. So it's a transfer from that middle-class group to some folks that are on the edges of society.

My concern with that is that rather than us designing programs to bring them into the mortgage marketplace, so that they can provide for themselves, that this simply will supplement additional government programs and further lock people into receiving government money, rather than receiving a help out.

So my concern is that we are going to be taxing those that can really afford to deal with additional taxes.

Mr. SCOTT of Georgia. Would the gentleman yield just for a clarification.

The Acting CHAIRMAN. The gentleman from Texas controls the time.

Mr. SCOTT of Georgia. I am asking if he would yield for a moment to let me correct something, if he would.

The Acting CHAIRMAN. The gentleman from Texas controls the time.

Mr. NEUGEBAUER. I yield to the gentleman.

Mr. SCOTT of Georgia. I very much appreciate that. It is very important that I clear this up.

First of all, there is no inclusion of taxes here. This money is coming from the shareholders. It's coming from the shareholders of these GSEs. That's exactly where it's coming from.

Mr. NEUGEBAUER. Reclaiming my time and yielding back to Mr. MCHENRY.

Mr. MCHENRY. That is what a tax is. You are taking it from one group and giving it to another group. What this is 1.2 basis points on a portfolio. If you are talking about taking it from the shareholders, go ahead and raise the capital gains tax, because I know it is part of the budget that was passed today.

I know many of you all believe in that on your side of the aisle, some, probably, on my side of the aisle. But my point is, I don't think we should tax them. With this 1.2 basis points on a portfolio is, in fact, a tax.

The Acting CHAIRMAN. The gentleman will suspend. The gentleman from Texas controls the time and has to remain on his feet.

Mr. MCHENRY. What I would contend though is the 1.2 basis points on the portfolio is simply a tax on every mortgage that flows through Fannie and Freddie. If you are taxing the profits on Fannie and Freddie as originally designed, you can make the contention that you are taxing the shareholders of Fannie and Freddie.

But, with this design of the current bill before us, if, in fact, you believe in affordable housing, and encouraging more people into the middle class and moving people up, then what we need to do is ensure that we are not decreasing the affordability.

Mr. WATT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am always reluctant to rise in opposition to my colleague from North Carolina, because he is my close colleague from North Carolina. He is right next door to my congressional district, well, one county removed, I guess. So it's burdensome when I have to rise in opposition to his amendments.

But this one I feel strongly about. First of all, I have heard this argument several times today that this imposes some kind of tax on middle-class and low-income homeowners. I think, if you look into this, you will find that this money is either going into a trust fund, which we all support to increase homeownership and affordable housing in this country, or, as has been the case throughout Fannie and Freddie's existence, it is going to the shareholders of Fannie and Freddie.

There is no passing along of savings, no enhancement of credit to additional home buyers. This is a choice between whether the shareholders get it or if we were going to finance affordable housing by the government, whether the taxpayers would be paying for it, which this trust fund really shields the taxpayers from having put up this money. That's my first argument.

The second concern I have is that this trust fund would sunset in 5 years, and we have, as a Congress, if we pass this bill and it survives through the whole process, we will have legislated this into existence.

The effect of this amendment would be to allow the director of this new agency with all these enhanced powers that we have given to him, to unlegislate what we have legislated, which I think is an inappropriate delegation of our authority.

Now, it may be that we make a bad decision to legislate it, but we recognize that by putting a 5-year sunset in the provision and allowing ourselves to come back and correct our own decision if we find that the decision was erroneous.

It is not good from my vantage point, to say to a director of any Federal agency, we passed this as a policy matter, and we are going to give you the authority to reverse it.

Now, if some independent body were making this determination, it were a study, as the gentleman indicated, we agreed to a study by the GAO and put it in the bill. That would be an appropriate mechanism for us to get feedback where we could undo this at the end of 5 years or renew it at the end of 5 years, but that's different than saying to the director, you can go if you determine that A, B or C exists, and you can unwind what the Congress of the United States told you is the law of the land.

So if the gentleman were inclined to offer this as part of this study, which we approve, I think it might be an appropriate way to proceed, because it would help to inform us. The GAO would do the study, they would tell us what their results were, and if we agreed with them that it was a big enough mistake, then we could, even before the 5 years, we could go back and correct it. But I don't want any director of some agency to be passing legislation either directly or indirectly.

For that reason, I think this is not a good amendment. I encourage my colleagues to defeat it.

Mr. FRANK of Massachusetts. Mr. Chairman, I fully agree with my friend from North Carolina.

I rise only on one specific factual point. The gentleman from North Carolina said this would levy 1.2 basis points on the mortgages. That's in lieu of a profit. The Treasury asked us to change it.

The gentleman from North Carolina said 1.2 basis points. That's equivalent to a 1.2 percent tax. No, that's 100 times wrong. A basis point is one one-hundredth of 1 percent. So 1.2 basis points is not 1.2 percent as the gentleman said, but .012 percent.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. MCHENRY).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. MCHENRY. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from North Carolina will be postponed.

AMENDMENT NO. 15 OFFERED BY MR. KANJORSKI

Mr. KANJORSKI. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 15 offered by Mr. KANJORSKI:

Strike line 22 on page 290 and all that follows through line 4 on page 293, and insert the following:

SEC. 181. BOARDS OF ENTERPRISES.

(a) FANNIE MAE.—

(1) IN GENERAL.—Subsection (b) of section 308 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723(b)) is amended in the first sentence by striking ''eighteen persons,'' and inserting ''not less than 7 and not more than 15 persons,''.

(2) TRANSITIONAL PROVISION.—The amendments made by paragraph (1) shall not apply to any appointed position of the board of directors of the Federal National Mortgage Association until the expiration of the annual

term for such position during which the effective date under section 185 occurs.

(b) Freddie Mac—

(1) IN GENERAL.—Paragraph (2) of section 303(a) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(a)(2) is amended in subparagraph (A) by striking ''eighteen persons,'' and inserting ''not less than 7 and not more than 15 persons,''.

(2) TRANSITIONAL PROVISION.—The amendments made by paragraph (1) shall not apply to any appointed position of the Board of Directors of the Federal Home Loan Mortgage Corporation until the expiration of the annual term for such position during which the effective date under section 185 occurs.

Mr. KANJORSKI. Mr. Chairman, simply stated, my amendment would ensure a continued independent public voice in the corporate governance of Fannie Mae and Freddie Mac.

This amendment also has the support of the National Association of Home Builders and the National Association of Realtors. The bill before us would make a dramatic change in the board structures of the two government-sponsored enterprises, and this issue deserves a public debate. The charters of Fannie Mae and Freddie Mac presently require that the boards of both enterprises shall, at all times, have five members appointed by the President.

Unfortunately, the bill before us today would eliminate the requirement for presidential appointees on the boards of Fannie Mae and Freddie Mac. In my view, requiring presidential appointees to serve on the boards of Fannie Mae and Freddie Mac is entirely appropriate, given the unique nature of their charters and their important public missions.

Government-sponsored enterprises, by their very nature, are public, private entities, and they need to have a public voice at the highest levels of governance. The Presidential appointments, therefore, signal that each entity is not only accountable to its shareholders, but also to a broader national public policy interest. Additionally, the presidential appointment system gives citizens a needed voice in ensuring the viability of our Nation's housing finance system, and that the benefits of this system are widely distributed. Maintaining public representation on the GSE boards is therefore critical to ensuring continued public trust in these very important financial institutions.

This amendment would accordingly restore the presidential board appointment assistance for the GSEs. It would also restore a change made in the bill that passed the House in the last Congress by a voice vote. This change provides flexibility in the size of the corporate boards that Fannie Mae and Freddie Mac established.

This commonsense amendment to retain an independent voice on the GSE boards also has the backing of those who know our housing markets best, like the National Association Home Builders and the National Association of Realtors.

In a recent letter to me about this amendment, the home builders note that ''a diverse governing board of directors that is well balanced in knowledge and expertise in the full range of GSE-related issues and activities is critical.'' They also believe that the amendment ''will help ensure that the GSEs' board of directors are best equipped to make informed, sound judgments in fulfilling their duties, including monitoring risk management activities of the GSEs' executives.''

In sum, this amendment is one that deserves the support of everyone who wants to preserve a public voice within these public, private entities and promote good corporate governance. It has the support, as I said before, of the homeowners and the realtors.

Mr. Chairman, I urge its adoption.

Mr. FEENEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to oppose the gentleman from Pennsylvania's amendment. I can tell you that we dealt with this issue in committee on a bipartisan basis, and we decided that we wanted to take away the political operations of Fannie Mae and Freddie Mac.

□ 1930

We believe that you cannot serve two masters and do a good, faithful job to both masters.

One of the reasons that Fannie and Freddie got in accounting problems in the first place is because of a complacent board of directors that was populated with political employees.

We believe in a post-Enron era that it becomes very, very important that we take advantage of corporate governance standards that are second to none. Even those of us that have criticized certain portions of Sarbanes-Oxley like section 404 as being overzealous believe deeply that Sarbanes-Oxley had some good corporate governance and conflict of interest rules that has imposed. That is why we decided that the trustees should owe a duty to the shareholders and to good corporate governance, not to the political people that may have appointed them.

And I think Mr. KANJORSKI has an understandable sympathy for having some public-oriented representatives, but the truth of the matter is you end up with members of the board of trustees that are going to have to decide between whether they owe loyalty to the person that appointed them, or to good, tough corporate governance and to the shareholders that are seeking their best wisdom.

I would ask that we strongly defer to the considered opinion on a bipartisan basis of the Financial Services Committee on this one, and that we reject the Kanjorski amendment.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. KANJORSKI).

The question was taken; and the Acting Chairman announced that the ayes appeared to have it.

Mr. BACHUS. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Pennsylvania will be postponed.

AMENDMENT NO. 27 OFFERED BY MR. ROSKAM

Mr. ROSKAM. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 27 offered by Mr. ROSKAM:

Page 128, line 14, strike ''paragraph (2)'' and insert ''paragraphs (2) and (4)''.

Page 129, after line 22, insert the following new paragraph:

(4) LIMITING CONTRIBUTIONS TO AFFORDABLE HOUSING FUND WHEN THE GOVERNMENT HAS AN ON-BUDGET (EXCLUDING SOCIAL SECURITY) DEFICIT AND AN OFF-BUDGET (INCLUDING SOCIAL SECURITY) SURPLUS.—

(A) LIMITATION.—For any year referred to in paragraph (1) that immediately follows a fiscal year in which the Government has an actual on-budget deficit and an actual off-budget surplus, the amount of money required to be allocated to the affordable housing fund shall not exceed the amount allocated to such fund in the preceding year.

(B) DEFINITIONS.—For purposes of this paragraph:

(i) The term ''actual on-budget deficit'' means, with respect to a fiscal year, that for the fiscal year the total outlays of the Government, excluding outlays from Social Security programs, exceed the total receipts of the Government, excluding receipts from Social Security programs.

(ii) The term ''actual off-budget surplus'' means, with respect to a fiscal year, that for the fiscal year the receipts from Social Security programs exceed the outlays from Social Security programs.

(iii) The term ''Social Security programs'' means the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.

Mr. ROSKAM. Mr. Chairman, this amendment would take the conversation this evening in a little bit of a different direction. It simply would postpone the diversion of funds to the Affordable Housing Trust Fund that is created in this bill until such time as Congress stops raiding the Social Security Trust Fund to pay for unrelated government programs.

This year, the majority proposed and passed a budget that assumes it will raid the entire Social Security surplus, an estimated $190 billion, to spend on other government programs, and that amount will increase to $203 billion for the year 2008.

During the course of many of our journeys to this office in this last election cycle, we stood up in senior centers and in conversations and in coffee and corner conversations, and we said, ''We will stand firmly with the seniors on behalf of Social Security.''

The chairman of the Financial Services Committee has sort of quietly admonished the Republicans on this side of the aisle who were here in the year 2005 for voting on a past bill and so forth. But there are 54 new Members of the House of Representatives, and we all took the oath of office. I took it right over there where Congressman

FEENEY is sitting, took my oath; my wife was in the audience, my children were by my side, my mom and dad were here. Fifty-four of us all came in, 13 on our side, 41 on the other side, and we took that oath of office. We were not part of the conversation in the year 2005, but many of us campaigned on the integrity of the Social Security system.

Mr. Chairman, I don't know what the parliamentary rule is on referring to quotes and so forth, and I know that it is not what in our family is called cool, so I am not going to name names. But a quick Google search of the new Members of Congress who joined me in this class, the class of 110th, criticized opponents that they defeated for voting to rob the Social Security Trust Fund and spend it on other programs.

''Those were documented votes. Those are budget votes, and they used the Social Security Trust Fund to mask the overall Federal deficit.''

Someone else said, ''We are going to make sure we have real substantive programs about how we make sure Social Security is secure.''

Or, Mr. Chairman, how about this. Another new Member said in their campaign that they would ''fight for Social Security for seniors.''

Or how about this language. That they would ''stop the raids on the Social Security Trust Fund that are used to help cover our Nation's huge Federal budget deficits.''

You get the point.

You know, life is choices. And I respect the chairman and his passion on this bill and the intellectual honesty with which he has approached this. When I saw the chairman, who was injured, I sort of thought that he might have tripped and fell over one of those Blue Dog signs that are littered all over the Cannon Building in my office. They are everywhere. Mr. Chairman, I have a copy of one of the Blue Dog signs that says, ''The Blue Dog Coalition. The national debt is $8.8 trillion, and your share of the national debt is $29,000.''

You know what? Those signs are getting a little bit faded. There is not quite so much interest in that issue right now on the part of the Blue Dogs, it seems to me.

I think we have choices to make, and I would submit that the choice that we have to make is a choice of priorities. And voting ''yes'' on this amendment says our highest priority in this conversation that we are having is to ensure the integrity of the Social Security system. It simply says, it transcends this last hour or two of debate. It doesn't get into the profitability and loss, the shareholders, and so forth. It admits, okay, great idea. But put it on pause, and take the money that the chairman has found, take the money and put it into the Social Security Trust Fund. That is what this amendment says. It says put it on pause, and use it to fund our obligations.

Look, we have got a lot of moving parts in terms of problems in this country. We have got the national debt, we have got veterans obligations, we have got pension obligations. We have got to lower gas prices. You name it. There is one thing after another that we need to do. And all this bill does is it says, great idea, terrific idea even; wrong time.

So I think the majority owes a great debt of gratitude to the chairman of the committee, because he has come up with $3 billion that can be enacted in one rollcall this evening to make the Blue Dog Coalition promise come true.

Mr. FRANK of Massachusetts. Mr. Chairman, I rise to oppose the amendment.

Sometimes I am more impressed with the gentleman's work product than others. He just made a misstatement of his own amendment, if I have the right amendment. He says, instead of putting it in the Affordable Housing Fund, put it into Social Security.

Nothing in this amendment does that. This amendment says that if there is a deficit in the Federal budget, then you don't put the money from Fannie Mae and Freddie Mac into the Affordable Housing Fund. It does not say you put it anywhere else. It is unrelated. It simply says that if you don't have enough money to meet the deficit, then you don't take money that would not otherwise go to the deficit.

There is no connection between the money being spent from Fannie Mae and Freddie Mac. This one is scored at zero by CBO; so, not spending the Affordable Housing Fund would in no way reduce the deficit.

I would yield to the gentleman if he would show me where in his amendment it says that, if we don't spend on affordable housing, we would put it into reducing the deficit. I am reading the amendment. There is nothing like that in here. I yield to the gentleman.

Mr. ROSKAM. Here's the point.

Mr. FRANK of Massachusetts. No. I am yielding for the purpose of a question. Answer the question. The gentleman said, the choice is to either put it into affordable housing or put it into the deficit. It doesn't go into the deficit now. It is Fannie Mae and Freddie Mac profit. Nothing in his amendment that I read would put it into the deficit.

Would he please explain to me what his statement meant and how it is accurate, and I will yield for that purpose.

Mr. ROSKAM. Page 2, paragraph I, the term ''actual on budget deficit'' means, with respect to the fiscal years, for fiscal year the total outlies of the government, excluding for Social Security program, exceeds the total receipts of——

Mr. FRANK of Massachusetts. I understand that. That is a definition of the deficit. Good for the gentleman. But it does not put any money into the deficit. The gentleman said that if we passed his amendment, we would be choosing to put the money, instead of into affordable housing, into helping Social Security. The amendment doesn't say that.

Mr. ROSKAM. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I will yield if the gentleman will give me an answer to the question. Reading his amendment doesn't get to the question. How does your amendment transfer money into Social Security?

Mr. ROSKAM. Maybe it is a two-step dance.

Mr. FRANK of Massachusetts. No.

Mr. ROSKAM. Will you yield?

Mr. FRANK of Massachusetts. I will yield, it is a two-step dance. Is the gentleman asking me to dance?

Mr. ROSKAM. The first step is to push the pause button, Mr. Chairman, and to recognize the current obligation—

Mr. FRANK of Massachusetts. I take back my time. The gentleman has now acknowledged that his statement was not accurate. The gentleman has now acknowledged that nothing in his amendment does anything about the deficit. He says it is a two-step dance. It is a Kabuki dance. It is a Dance of Seven Veils. It has got an unrepresentative argument here.

Nothing in this puts the money into Social Security. There is nothing in here that would do that. What it says is, let's not put any money into affordable housing from Fannie Mae and Freddie Mac if there is a deficit.

Frankly, the gentleman did not, it seems to me, clearly represent his amendment. He says it is a two-step dance. Is he proposing that we would then take the money from Fannie Mae and Freddie Mac, the 1.2 basis points, not 1.2 percent, and put that into the Social Security Trust Fund? He has now acknowledged that nothing in his amendment would help Social Security. I guess we will learn later what is the second step of the dance.

I am kind of older; I used to watch Arthur and Kathryn Murray teach dance, but I don't think even they could have taught us how this is going to spin into putting money into Social Security. So this amendment is a perfect definition of a non sequitur.

Mr. WATT. Mr. Chairman, will the gentleman yield?

Mr. ROSKAM. Maybe it is a two-step dance.

Mr. FRANK of Massachusetts. I yield to the gentleman from North Carolina.

Mr. WATT. I want to suggest the second step of the dance, from my perspective, is the money goes into the trust fund; housing is built; that generates economic activity and reduces the deficit. So the second step to this dance is a deficit reduction using the trust fund, not under the gentleman's amendment though.

Mr. FRANK of Massachusetts. That is a far more plausible explanation than we have got.

Does the gentleman want me to yield?

Mr. ROSKAM. I thank the gentleman.

In the same way, Mr. Chairman, you have demonstrated it to the committee, and you have been a leader in this dance, basically, by saying, ''Trust me in how we are going to fund this.''

Mr. FRANK of Massachusetts. I take back my time. That is absolutely untrue. I have never asked people to trust me. If he is talking about spending affordable housing later, what I have said is it will be spent in accordance with a bill to be passed by the Congress. That is not trusting me.

And I have never said that one thing was going to accomplish the other. We have said we would set some money aside and later decide how to spend it. It doesn't do that here. It leaves the money with Fannie Mae and Freddie Mac. This isn't public money. It is a non sequitur. I repeat.

It says we have a deficit in Social Security. That is too bad. Let's keep fighting the war in Iraq for hundreds of billions of dollars, let's keep doing all these other things, but let's not take money from Fannie Mae and Freddie Mac that would not otherwise contribute a penny to Social Security and spend it on affordable housing.

Mr. MCHENRY. Mr. Chairman, I rise to strike the requisite number of words.

Mr. Chairman, I don't want to speak to the dancing capabilities of any of my colleagues, whether it be a Kabuki dance or an Arthur Murray class or however else they want to dance.

But I would like to yield to my colleague from Illinois.

Mr. ROSKAM. I thank my colleague for yielding.

Mr. Chairman, I think it is important within this context to realize who has the gavel and who has the majority.

Mr. Chairman, you have the majority. You have the ability to direct vast sums of money. And what I am suggesting is that in your earlier conversation regarding those that were a part of the 2005 vote that you sort of felt like was somehow binding into perpetuity, 54 of us, Mr. Chairman, were not part of that conversation, and 54 of us didn't really find it informative.

There are 54 of us that came in this Congress totally new, fresh. We are the Etch-A-Sketch that is clean; 41 on your side of the aisle and 13 of us.

And so what I am suggesting is in the course of the campaigns that brought us here, many, many of us, and I Googled and searched several of yours and I didn't want to string them out by naming names and so forth. But many of your new freshmen said they were champions of Social Security. Well, you know what? They have got an opportunity to vote in favor of this bill.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. ROSKAM. Let me make my point, and I will reciprocate. But, like you do, you tend to finish your point.

□ 1945

Mr. Chairman, we have to make priorities.

You know, I come from the O'Hare Airport area. O'Hare is in my district. And you know, the biggest challenge in O'Hare and why everybody hates flying through it is because there are so many planes in the air. This puts another plane in the air when nationally, you know what, we've got so many things circling, we've got one obligation after another that we're not doing well.

I commend the chairman. Look, you found $3 billion. The Democrats should give you a legislative, well, I was going to say something that was a little over top. They should congratulate you for finding that type of, those type of resources. And what I'm suggesting, Mr. Chairman, is that we put this on pause. I'm not getting involved in the debate earlier about whether it's a good idea or a bad idea. Say, for the sake of argument, it's fabulous. Say, for the sake of argument, western civilization won't process forward without it. I still say that there are higher priorities. And I named any number of them.

And what you have done, Mr. Chairman, in your advocacy and the way that you have asked us to, I would characterize it as trust you on how this is going to be articulated and distributed in the future based on legislation that you will have a profound influence on. And I would also say that we've got the ability, it's a two-step process.

Mr. MCHENRY. Mr. Chairman, reclaiming my time. May I inquire how much time I have remaining?

The Acting CHAIRMAN. The gentleman from North Carolina has 2 minutes.

Mr. MCHENRY. At this point, I'd like to yield to the chairman of the Financial Services Committee for a question which is, I know the C–SPAN audience, Mr. Chairman, is very interested in my colleague's injury, and I know he circulated a Dear Colleague, but if you could explain your injury.

Mr. FRANK of Massachusetts. I decline to take up the time of the House at this late date.

Mr. SCOTT of Georgia. I move to strike the requisite number of words.

I will yield a word to my distinguished chairman.

Mr. FRANK of Massachusetts. Mr. Chairman, I'm disappointed in the gentleman from Illinois, having yielded to him, refused the same courtesy. It's my time, the gentleman from Georgia's time.

I never asked anyone to trust me. He repeats that. It is simply inaccurate.

I've said that I thought we should set some money aside for low income housing, a specific purpose, low income housing, and then in a later bill, not me personally, but the Congress, decide how best to disburse it. That is hardly saying trust me and I'm disappointed. The gentleman generally it seems to me is fairer than that.

Secondly, he says higher priority. Again, this is fantasyland. Nothing in his amendment does a penny for Social Security. And he says temporarily suspend. Hit the pause button until the deficit is over.

Let's be very straightforward. That means kill it forever. There's no pause here. No one is assuming that the deficit is going to be ended within the next 7 or 8 years, so the argument that the gentleman makes that it is more important to do Social Security trust fund than the housing fund is irrelevant because nothing, nothing in the gentleman's amendment puts a penny into the Social Security. It's one more way to kill the affordable housing fund reflecting an ideological opposition to the existence of the Federal Government helping build affordable housing.

Mr. SCOTT of Georgia. Reclaiming my time, I'd like to get into this dance just a little bit myself, because here we've got this little program that we're trying to offer to help the very, very poor. To show you how desperate the opposition is on the other side, they want to segue this program as a saviour for Social Security, when they spent the last 2 years trying to kill Social Security with private accounts.

And then to try to use, when you mentioned the Blue Dog Coalition, I want you to know I'm a member of the Blue Dog Coalition, and I take offense to that particular point. Nobody has been working harder to bring down the deficit that you all created.

Let the record speak for itself. How can you even think to take this little poor program here that we're trying to help, would get low income housing, and then claim it to try to use it to try to offset the deficit, when, in fact, we had over a $3 trillion deficit, and under your control of this Congress for the past 4 years, since 2001, you and this President sitting in the White House has borrowed more money from foreign governments and foreign nations, yes indeed, you weren't here, your party, than all of the previous 42 Presidents put together, in other words, since 1789.

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN. The gentleman is reminded to address his remarks to the Chair.

Mr. SCOTT of Georgia. Mr. Chairman, what I am saying is that there is very serious hypocrisy here that must be pointed out so the American people can make plain and understand the debate that is before us. This issue has nothing to do with tax increases, nothing to do with raiding Social Security savings and nothing to do with anything dealing with the debt. And my whole point is that the reason it's so hypocritical is the opposition on this side has done so much to destroy Social Security, to raise the debt and not respond. And then to pour this on the backs of this little program that we have targeted to poor people is about as hypocritical as you can get.

Mr. BACHUS. Mr. Chairman, I move to strike the requisite number of words.

What we've said on both sides of the aisle tonight, one thing we ought to be able to agree on is that last year we took $185 billion from the Social Security surplus, including everything that

we've paid in and all the interest earned last year, and we spent it.

This year, Republicans, Democrats, we passed a budget earlier today that takes $190 billion, every bit of it, every bit of the FICA taxes paid in by all of us, citizens, young and old, we spent it. We spent the interest owed from previous years on the surplus. We spent every dime of it. Next year we're going to do $200 billion.

And we can play the blame game. But I don't think the American people are interested in how much the majority is at fault, how much the minority is at fault. I think what the American people want is they want it to stop. It's, you can call it borrowing, that's a nice word. You can call it raiding. You can call it taking. But the long and short of it is we're taking money every day that the American people, the people we represent, are paying into Social Security, and they're expecting, upon their retirement, to start drawing that money out. And we all know it's not going to be there unless we change our behavior. Not you, not us, we.

In 2017, 10 years from now, 10 years from now, we're going to start having to reduce our benefits on Social Security.

Mr. FRANK of Massachusetts. Will the gentleman yield?

Mr. BACHUS. I will yield.

Mr. FRANK of Massachusetts. I thank the gentleman. Will he explain to me what in the world that has to do with an amendment that does not provide a penny for Social Security?

Mr. BACHUS. Let me explain what it has to do. And I think it's a good point the tape. You said, well this doesn't come to that. Let me tell you, if there is validity in taking $3 billion, there's $3 billion over there that we can take from the GSEs and we can do it without affecting their stability, and let's just presuppose for the sake of argument that we can do it without increasing the cost to middle and lower income home owners. Let's just suppose we can do all that, or shareholders. Let's suppose we can take it from the shareholders, take it from the profits and it won't cost us anything. If we can do it, if we can do it, why don't we put it in Social Security? Why don't we start a new program?

No matter how much need there is, and the gentleman from Georgia continues to talk about the need. And I, listen, I agree with you. There is a need for affordable housing for low income Americans. I'm with you. There are 90 programs right now. A lot of them don't work, and for that reason, there is a need.

And so we're passing another $3 billion over 5 years. I understand that. I understand there's a need. But you know, before we start addressing that need, let's keep our promises to the American people.

Isn't Social Security a sacred promise? How many of us, if we would raise our hands, how many of us would say no? And it is a sacred promise, why don't we start tonight with this amendment and keep that promise to the American people?

We're going to, you know, the FHA bill was in committee. We made an amendment. Okay. If we can take some of the surplus fees, the chairman, others felt like it ought to go on to housing programs.

We said, let's start putting it all in Social Security. Let's start tonight. We said 2 weeks ago, let's start 2 weeks ago and let's start putting it in to the Social Security until we reach a situation where we're not taking everything out. And once we get to, and this is what this amendment says. It says once we get to the situation where we're not borrowing, then this money can go into this new housing program. But until the day that this Congress gets to the point where we can honor our promise to seniors and not have to borrow their money from them, instead of letting it earn interest and a return, until that day to where we quit borrowing from the Social Security trust fund no new programs, no new programs.

Mr. WATT. Mr. Chairman, I move to strike the requisite number of words.

I won't take 5 minutes. I just want to remind Members that we've just spent an awful lot of time arguing about something that has nothing to do with this bill, and that there are a number of other amendments. And I fear that at some point tonight, we will regret this detour on which we have engaged.

It illustrates, and the gentleman who is in his first term here will appreciate why the rules of the House are constructed as they are. You don't have a provision to transfer this to the debt because if there were a provision in your amendment to transfer it to the debt or to Social Security, this amendment would be non germane to this bill. And without germaneness rules, you can go off and talk about, for as long as you want, as they do in the Senate sometimes, about anything that they want to talk about.

But the amendment that you have offered is marginally germane because you didn't do what you say you wanted to do. And you've made the point that, Mr. Chairman, he's made the point that he wanted to make, I'm sure, to his constituents.

So I would hope that we could get back to the amendments that are germane and relevant to this bill, and maybe finish this bill tonight. It would be wonderful.

Mr. GARRETT of New Jersey. Mr. Chairman, I move to strike the requisite number of words.

Let me just say this very briefly, that I believe that the issue of the solvency of Social Security is significantly an important issue. And I appreciate your comments on germaneness. But I appreciate the opportunity for our constituents at home to be able to hear this debate and this discussion with regard to how we see it as important and doing everything humanly possible to make sure that it is solvent and there for our seniors in the future.

I yield my time to the gentleman from Illinois.

Mr. ROSKAM. I thank the gentleman for yielding, and I appreciate my colleague's instruction on germaneness. I have drunk of that cup. I offered what I thought was a relevant but nongermane amendment and sort of learned the hard way the buzz saw of the parliamentarian on a previous bill and sort of learned my lesson. I thank the gentleman for that.

Mr. WATT. Would the gentleman yield just long enough to let me clarify that I'm not arguing about whether this is important. I'm arguing about whether it is germane, and there is a difference. I acknowledge that it is important.

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Mr. ROSKAM. Mr. Chairman, if the gentleman from New Jersey will continue to yield, we can have a wonderful conversation about germaneness. But getting back to the chairman's point earlier about what I characterize as a ''trust in me'' argument. No, you didn't use the ''words trust in me,'' but I think it is important that the body not be left confused about the implication at least that we took about a verbal interchange that the chairman had with the gentlewoman from Illinois (Mrs. BIGGERT) when she asked, and I am quoting from the committee transcript: ''I know we have discussed the fact that there might be other ways to do this, but it seems if it is the chairman's plan to reconsider the details of the housing fund in the future, why not just take the fund out of here and then have the hearings and then make the decision.''

And at that point Mrs. BIGGERT continued: ''I cannot remember a time where we put something in and said maybe we will do this in this way but then we might do it another way and then we will go back and re-do it.''

And then she yielded to the chairman, who then said: ''The reason I do not want to leave it out now is I am very strongly committed to it, perhaps more than some other members. It is, I think, a rational part of this bill. It is a part of, frankly, an agreement.

''Let me be very clear. I believe that there is a great deal of interest on the part of the administration and some others in having a greatly increased regulatory structure for Fannie Mae and Freddie Mac.

''Not everybody who wants an increased regulatory structure for Fannie Mae and Freddie Mac is committed to that Affordable Housing Fund. If the Affordable Housing Fund was not established in this bill and was a stand-alone bill, it might get vetoed.

''I think it is less likely to cause vetoing of the whole bill. I like very much the idea of the Affordable Housing Fund. I do not believe it could stand on its own necessarily, and that is the reason for including it in this bill.''

Now, I took from that, and I think it is a very reasonable inference, Mr. Chairman, the ''trust in me'' argument, and I think that that is a consistent argument.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of New Jersey. I yield.

Mr. FRANK of Massachusetts. Mr. Chairman, that, I must say, totally disappoints me. For the third time the gentleman has tried to put words in my mouth. The words ''trust in me,'' the gentleman read that, and the gentleman's distortion, systematic distortion, has gone beyond what I can deal with in a brief intervention. But I will say this: I continually said we should address that in separate legislation. If the gentleman doesn't know the difference between passing legislation which sets guidelines and saying ''trust me,'' then the gentleman understands less in this place than I had hoped he did.

Mr. GARRETT of New Jersey. Mr. Chairman, reclaiming my time, I yield to Mr. ROSKAM.

Mr. ROSKAM. Mr. Chairman, I am always one to learn and I am always open to instruction, and I appreciate that very much. But the point is when a question is asked in committee and the ranking member of a subcommittee asks it and it is essentially not answered, I think the subtext is ''trust in me.'' And I think that the opportunity as we move forward is to say, look, we have got an opportunity to take a $3 billion fund here that has been created that the chairman of the committee has found and to do the right thing with it.

Mr. PERLMUTTER. Mr. Chairman, I move to strike the last word.

I would like to yield to the chairman of the committee, Mr. FRANK.

Mr. FRANK of Massachusetts. Mr. Chairman, the gentleman from Illinois apparently misremembered something. He looked diligently to try to find what he said, and he couldn't find what he imputed to me. I never said ''trust in me.'' I didn't imply it. His subtext notion makes as little sense as his argument that we are going to somehow help Social Security in an amendment that doesn't touch Social Security.

What I said repeatedly was I want to reserve this now because I think this bill will not be vetoed and we will get the reservation, and for budgetary purposes, CBO scoring, it is a better way to do it, and we will then pass a separate piece of legislation. And his equation of my calling for a separate piece of legislation with my saying ''trust in me'' falls below the level that I had thought we would debate here.

I would again repeat, the gentleman from Alabama eloquently said let's start now. Let's do this. I want to be very clear, Mr. Chairman. I have never stopped him. The gentleman from Alabama had a new-found passion to help Social Security. Where is his amendment doing that? Where is his legislation doing that? This notion of let's get to Social Security, the central point is: The gentleman from Illinois' amendment does not put one penny into Social Security. Passing it would not help it. It would kill this fund forever.

What we have had is a variety of amendments. This is the fifth one tonight that finds a different way to kill affordable housing. The gentleman from Alabama was straightforward. He said he just wanted to kill it. So this has nothing to do with Social Security. It has to do with killing the Affordable Housing Trust Fund.

And I would just add this, and I thank the gentleman from Colorado for yielding, I find it somewhat ironic that Members who continue to support spending hundreds of billions of dollars on that terrible war in Iraq, which does America more harm than good, lecture me because we are going to spend half a billion dollars a year on Affordable Housing Fund out of nontax funds. Yes, let's do something about Social Security. Let's do something about the war in Iraq. Let's do something about other wasteful programs. But to take $500 million, I didn't see this concern for Social Security when we were doing the defense budget. I didn't see it when we did the authorization earlier today. I didn't see it when we were adding money.

I must be very clear, Mr. Chairman, within the rules, I am unpersuaded that the real motive of Members here is to do anything about Social Security. It is clear if you look at this pattern, they don't like the notion of the Federal Government's helping to build affordable housing, even if we do it, as we have succeeded in finding a way to do it in this bill, in a way that has no impact on the taxpayer, no impact on Social Security, and no negative consequences on the other government programs.

Mr. PERLMUTTER. Mr. Chairman, reclaiming my time, the bottom line here and the reason that I believe my friend from Illinois' amendment is irrelevant and it isn't germane is we are dealing with a government-sponsored entity that deals with affordable housing, and the purpose here is to provide affordable housing from a piece of the profits of the GSE that we are regulating tonight and we are trying to deal with. Over 5 years, this goes to $3 billion, which is less than half of the misstatement in earnings from one year from one of the entities.

This amendment needs to be defeated. I urge my colleagues to vote ''no.''

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. ROSKAM).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. FEENEY. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Illinois will be postponed.

AMENDMENT NO. 26 OFFERED BY MR. BLUMENAUER

Mr. BLUMENAUER. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 26 offered by Mr. BLUMENAUER:

Page 93, after line 9, insert the following new section:

SEC. 134. CONSIDERATION OF LOCATION AND ENERGY EFFICIENCY IN ENTERPRISE UNDERWRITING GUIDELINES.

(a) FANNIE MAE.—Section 302(b) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)) is amended by adding at the end the following new paragraph:

''(7)(A) In establishing requirements with respect to quality, type, class, and other purchase standards for mortgages on one- to four-family residences, the corporation shall—

''(i) consider the location efficiency and energy efficiency of the residence;

''(ii) treat any savings resulting from location efficiency or energy efficiency as an equivalent reduction in recurrent monthly expenses of the mortgagor; and

''(iii) increase any limit on the amount of debt under the mortgage allowable for the mortgagor that is based on mortgagor income to account for the present value of location efficiency savings and for the present value of energy efficiency savings.

''(B) For purposes of this paragraph, the following definitions shall apply:

''(i) The term 'location efficiency' means, with respect to a mortgage for a residence, the difference between—

''(I) the average monthly transportation expenses predicted for the family of the mortgagor residing in the residence subject to the mortgage; and

''(II) the average monthly transportation expenses, for families of the same size and income as the family of the mortgagor, residing in the lower quintile of homes in the same metropolitan area or in the nation as a whole.

Location efficiency shall be determined on a neighborhood-scale basis by the use of statistically valid methods.

''(ii) The term 'present value of location efficiency savings' means, with respect to a mortgage, the monthly value of location efficiency savings multiplied by the number of months in the term of the mortgage.

''(iii) The term 'energy efficiency' means, with respect to a residence, the difference between the average monthly energy consumption predicted for the residence and the average monthly energy consumption for a similar home that minimally complies with State and local laws, codes, and regulations regarding housing quality and safety.

''(iv) The term 'present value of energy efficiency savings' means, with respect to a mortgage, the monthly value of energy efficiency savings multiplied by the number of months in the term of the mortgage.

''(v) The term 'recurrent monthly expenses' includes, with respect to a mortgage, the monthly amount of principal and interest due under the mortgage and the monthly amount paid for taxes and insurance for the residence subject to the mortgage, as calculated in accordance with standard practices in the financial services industry for calculating the qualifying ratio for a mortgagor.''.

(b) FREDDIE MAC.—Section 305(a) of the Federal Home Loan Mortgage Corporation

Act (12 U.S.C. 1454(a)) is amended by adding at the end the following new paragraph:

''(6)(A) In establishing requirements with respect to quality, type, class, and other purchase standards for mortgages on one- to four-family residences, the Corporation shall—

''(i) consider the location efficiency and energy efficiency of the residence;

''(ii) treat any savings resulting from location efficiency or energy efficiency as an equivalent reduction in recurrent monthly expenses of the mortgagor; and

''(iii) increase any limit on the amount of debt under the mortgage allowable for the mortgagor that is based on mortgagor income to account for the present value of location efficiency savings and for the present value of energy efficiency savings.

''(B) For purposes of this paragraph, the following definitions shall apply:

''(i) The term 'location efficiency' means, with respect to a mortgage for a residence, the difference between—

''(I) the average monthly transportation expenses predicted for the family of the mortgagor residing in the residence subject to the mortgage; and

''(II) the average monthly transportation expenses, for families of the same size and income as the family of the mortgagor, residing in the lower quintile of homes in the same metropolitan area or in the nation as a whole.

Location efficiency shall be determined on a neighborhood-scale basis by the use of statistically valid methods.

''(ii) The term 'present value of location efficiency savings' means, with respect to a mortgage, the monthly value of location efficiency savings multiplied by the number of months in the term of the mortgage.

''(iii) The term 'energy efficiency' means, with respect to a residence, the difference between the average monthly energy consumption predicted for the residence and the average monthly energy consumption for a similar home that minimally complies with State and local laws, codes, and regulations regarding housing quality and safety.

''(iv) The term 'present value of energy efficiency savings' means, with respect to a mortgage, the monthly value of energy efficiency savings multiplied by the number of months in the term of the mortgage.

''(v) The term 'recurrent monthly expenses' includes, with respect to a mortgage, the monthly amount of principal and interest due under the mortgage and the monthly amount paid for taxes and insurance for the residence subject to the mortgage, as calculated in accordance with standard practices in the financial services industry for calculating the qualifying ratio for a mortgagor.''.

Mr. BLUMENAUER. Mr. Chairman, I appreciate the effort that has gone into this evening's debate. It has been lively and at times amusing.

I rise to offer an amendment to extend the effort that is intended here to extend home ownership to a greater number of families.

The problem that I seek to focus on is that by having a uniform threshold for the loan limits understates the purchasing power of people in often high-cost, low-impact areas, people who live, for example, in urban areas, in central cities, who spend far less on energy and transportation than the typical person but often is faced with much higher home costs and they get caught in a double whammy. They are actually better credit risks because they have more disposable income, but they are running up against loan limits that discriminate against them.

The average American family spent over $5,100 in gasoline, home heating, and electricity last year. Families routinely list transportation cost as their second largest household expenditure on average. Sometimes it is the greatest.

Research shows that when these families live locally near where they work, shop, and socialize close to public transportation, they actually have more disposable income.

My amendment would instruct Fannie Mae and Freddie Mac to credit mortgage applications for the savings that a transportation-friendly location and energy-efficient home generate, making it easier for these homeowners to purchase these homes. By recognizing the added purchasing power home buyers generate from both transportation and energy savings, lenders can quantify these savings and place them in the ''shelter'' category of expenses. This would allow home buyers, based on his or her enhanced buying power, to either qualify for a mortgage or qualify for a larger mortgage.

This would have a particular benefit for lower income and first-time home buyers in locations that they tend to congregate that are more efficient. It will strengthen the communities that we wish to celebrate that are less impactful on the environment, requiring this energy. It would encourage families to reduce vehicle and energy use. This will translate into benefits for the larger community in terms of congestion, cleaner air, and reduced dependence on foreign oil.

Now, this is not an unknown concept. I know there are some that have some concerns about it. Fannie Mae has been a partner in pilot programs offering what are termed location and energy efficient mortgages in the past. It has been limited to just a few cities, but these programs have demonstrated that they make a difference on the lives of the families that have been able to benefit from them.

There was a pilot project in Illinois, in Chicago, for the first time, the first initiative, with the location, energy efficient mortgage, and it provided a $53,000 benefit for the people involved in terms of the home that they could qualify for.

I would respectfully suggest that this amendment would extend the effort that the committee has to promote affordable housing. It would eliminate the discrimination against people in these energy and transportation efficient areas, and it would provide more justice to people in terms of what we are trying to provide in this system.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do not think we are ready to put this into a nationwide operation at this point. It has a great deal to commend it, and the gentleman is right to talk about pilot projects.

In the Committee on Financial Services we have created a task force, headed by the gentleman from Colorado (Mr. PERLMUTTER), to look at all housing programs to promote energy efficiency. This is something that we should have looked at a while ago. We have been late. There are some various programs. There are some in public housing. We tried to put some into the FHA. The chairman of the Appropriations subcommittee, my colleague from Massachusetts (Mr. OLVER), is interested in doing this, along with the gentleman from California in HOPE VI.

What I think would be best would be if we could defer this now and give it some study. There are some implications for how you carry it. There are some fairly specific calculations. It is one thing when you do it in a pilot project; it is another for Fannie and Freddie to do this nationally. And, of course, they don't do it directly. They do it through their various lenders.

So while I think in concept this is something we should be moving towards, I would hope we could do some further work on it. It is our expectation to bring out an overall housing energy promotion bill sometime this fall, and this would be an ideal candidate for inclusion in that.

I yield to my friend.

Mr. BLUMENAUER. Mr. Chairman, I thank the gentleman for yielding.

I have great respect for the chairman, and I do appreciate what he is saying, that there are some issues involved in going from a pilot project to a national effort.

I look forward to working with your task force under the chairmanship of my friend from Colorado. I understand what the gentleman is saying, and I would be happy to withdraw my amendment at the appropriate time and work with the committee in that fashion.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The Acting CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

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AMENDMENT NO. 17 OFFERED BY MR. GARRETT OF NEW JERSEY

Mr. GARRETT of New Jersey. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN (Mr. MORAN of Virginia). The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 17 offered by Mr. GARRETT of New Jersey:

Page 61, after line 4, insert the following new section:

SEC. 116. PORTFOLIO GUIDELINES.

Subtitle B of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4611 et seq.), as amended by section 115, is further amended by adding at the end the following new section:

''SEC. 1369F. PORTFOLIO GUIDELINES.

''(a) AFFORDABLE HOUSING REQUIREMENT.—In order for the enterprises to meet their

mission of providing for and promoting affordable housing, the Director shall require the enterprises to only hold, in their retained portfolios, mortgages and mortgage-backed securities that exclusively support affordable housing, and particularly mortgages extended to households having incomes below the median income for the area in which the property subject to the mortgage is located.

''(b) MORTGAGE-RELATED ASSETS LIMITATION.—The enterprises may purchase and retain mortgage-related assets only to the extent that the Director determines such actions are necessary for the enterprise to maintain a liquid secondary mortgage market in a manner that cannot be achieved through the activities described in subsection (a) and are consistent with the public interest.''.

Mr. GARRETT of New Jersey. Mr. Chairman, this amendment seeks to refocus the GSEs on what is their congressionally mandated responsibility, and that is, providing for and promoting affordable housing.

The amendment would direct the new regulator to require the enterprises to only hold mortgages and mortgage-backed securities that exclusively support affordable housing. That is, those mortgages that are extended to households falling below the area's median income in their retained portfolios.

Mr. Chairman, the GSEs were created by Congress to do a couple of things. First of all, to create liquidity in the secondary market, and, very importantly here, to provide affordable housing for low and moderate families. Now, to effect this worthy goal, Congress granted these enterprises a number of advantages over private firms, including exemptions from State and local taxation, and also the ability to borrow at lower rates. In fact, Mr. Chairman, Fannie and Freddie used these advantages to borrow at interest rates barely above the Treasury rate. They then buy mortgages from originators and do one of two things; either they package these securities into MBSs, that's mortgage-backed securities, and securitize them, or they retain the purchased mortgages on their own portfolio.

Interesting, the combined GSE portfolios have increased from $130 billion in the early 1990s, today it is over $1.5 trillion. The current practice of the GSEs buying derivatives to hedge against the interest rate risks created by these huge portfolios creates an enormous risk for us. And there should be some commensurate level of return on that risk to the taxpayer in the form of lower housing prices for low and moderate homeowners.

Federal Reserve studies, however, and those conducted by other organizations, have concluded, and this is important, that consumers receive no direct benefit from the GSE's expansive portfolio holding. Although GSEs as business enterprises should return a profit to their investors, they really can't lose sight of the purpose for which they were created and the additional people to whom they answer, given their special status. They are not simply another business entity.

Currently, GSE shareholders receive all of the benefits for the portfolios and none of the risk. In contrast, low and moderate income families bear all the risk and receive few of the benefits. By buying mortgages from banks that are part of the CRA requirement or holding more low income mortgages on their portfolios that might be difficult to securitize, this amendment will help the low and middle income American buyer buy their home and give low and middle income homeowners the benefits comparable to the risk.

Let me just end with this quote. Federal Reserve Chairman Bernanke, ''Tying portfolios to a purpose that provides measurable benefits to the public would help ensure that society in general, and not just the shareholders, receive a meaningful return in exchange for accepting the risk inherent in the portfolios. Moreover, defining the scope and purpose of the portfolios in this way would reduce the potential for unbridled growth in those portfolios, while avoiding the imposition of arbitrary caps.''

Mr. Chairman, this is a commonsense, good government amendment that will provide the taxpayers, particularly low and middle income taxpayers, more benefits for the risks they bear by helping Fannie and Freddie refocus their job, which is affordable housing.

I ask my colleagues on both sides of the aisle to support this commonsense amendment.

Mr. SCOTT of Georgia. Mr. Chairman, I move to strike the last word.

The gentleman from New Jersey (Mr. GARRETT), I don't know what his intention is, but this is probably the most terrible of all of the amendments to come before us tonight. This amendment not just guts the affordable housing program, this amendment guts Fannie Mae and Freddie Mac as a viable enterprise. And it would have significant adverse effects on the entire U.S. housing financial system.

Now, here's what the amendment does that I understand. It would require that the new GSE regulator restrict Fannie Mae and Freddie Mac's portfolio holdings to only mortgage and mortgage-backed securities that exclusively support affordable housing. That is devastating. Particularly mortgages that are extended to households who are having incomes below the median income.

Mr. Chairman, that's like taking an orange and squeezing all of the juice out of it and then passing it off to somebody to get orange juice out of it. You are squeezing out of this operation the ability for it to have a very healthy, market-driven portfolio by restricting it to the lower elements of our economy, where there is no juice.

The portfolios of Fannie Mae and Freddie Mac play an important role in stabilizing the supply and reducing the cost of mortgage credit totally within the whole housing financial industry. So enter this effort, just to go after, I have never seen anything like it.

Mr. GARRETT of New Jersey. Will the gentleman yield?

Mr. SCOTT of Georgia. Not just yet.

This is just, again, a program designed to help very, very poor people. And you are willing to bring down the whole housing finance system just to get at it. Because this amendment would require a drastic reduction in the enterprise's portfolio holdings and subject them to micromanagement by the regulator. And the amendment would require a drastic reduction in the GSE's portfolios, which, in effect, reduces the access to competitive financing options from community banks and their home buying customers. This is a far-reaching, devastating amendment and must be rejected.

Mr. BAKER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wish to compliment the gentleman from New Jersey on his intended goal and merely point out the defects that exist in the current system.

I want to make clear, I am a strong advocate of affordable housing and have gone to some trouble to examine the current portfolio of both Freddie Mac and Fannie Mae.

The one thing I think is consistent and hopefully will not be objected to is to observe that poor people generally don't have money. And so when you go to a closing of a house, regardless of the price, that's not an issue, you are going to try to get as much of that appraised value financed as possible, maybe come up with the closing costs. In a lot of cases, people are actually financing the closing costs too.

So it would make sense, if you looked at an analysis of the GSE's portfolio mortgage holdings and determined the loan-to-value ratio, meaning, if it was a $100,000 house and you were borrowing at least $95,000, or up, 96, 97, 98, 99, maybe 101 because you needed help with the closing costs, that there ought to be a disproportionate amount of those loans in their portfolio as compared to, say, a commercial bank.

When you look at Fannie and Freddie's portfolio holdings, you find that Freddie has 1.5 percent of their mortgages in a 95 percent plus range. You find Fannie Mae slightly better at 2.8 95 percent plus. So then you back off and say, my goodness, if only 1 or 2 percent is in those very high-leveraged loans, where are they making their money? And where you find the bulk of their loans is in two wage earners per household who are buying a second, third home because they have 60 to 70 LTV, meaning they are putting down a bunch of money. So even if you are a person buying a modest home of $100,000, that means that you are putting down $30,000 or $40,000 at time of closing. That is not my definition of ''poor person.''

If we really want to get focused, and this is a sincere observation about these corporations, they are driven to make a profit my their shareholders.

Nothing wrong with that. But they have been given special privilege by this Congress to accomplish a particular mission, and that is to help low-income first-time home buyers. That is why I am not as affronted by the chairman's concept as some may be. This is a specific requirement to spend $500 million on affordable housing.

But to suggest that the gentleman is trying to somehow constrain the target of helping low-income people because they do such a wonderful job now, I have to suggest to you that that is really off the mark. They do a very poor job of helping first-time home buyers and low-income individuals get access to homeownership. They are in the business to make money. They do it quite well. They are the only corporation of their scale that returns double digit rates of return year after year, whether there is a housing crisis or a finance crisis, it's the facts.

I would love to work with the other side in focusing these huge corporations into the mission that Congress has described for them to perform.

Mr. Chairman, I would be happy to yield to the gentleman from New Jersey.

Mr. GARRETT of New Jersey. As many Members have said when they have come to this microphone in the past, that when you come to the floor, we can all have our own opinion on these matters, but we can't have all our own facts. To use the gentleman from Georgia and also Florida, too, I think said when it comes to the expression of squeezing all the juice out, that's maybe an appropriate expression, but then the question is where did that juice go to and what should it be used for?

Well, my suggestion is that the juice should not necessarily always be used for the benefit of the stockholders, but the juice should be basically used for, what was the intent here, to provide for affordable housing for low and moderate income. And as the gentleman from Louisiana just indicated, as we've heard from all the testimony in the committees, the GSEs have not been doing the job that we wanted them to do. And one of the reasons I believe that we now see a bill before us to put on this new housing fund is in part because they have not been doing their job. Had they been doing their job as Congress directed them to some time ago, we may not have come to this position today where we have to be debating the issue of the housing fund, which is a separate issue.

The point, though, as far as where the juice goes to and what the real facts are, we also heard testimony of Chairman Bernanke when he came to the floor, and there are also GAO studies that have looked at this as well, and what do they say? Where does the juice really go to when the portfolios expand to this level? And they include not just the low and moderate income, but the higher ones, since the low moderate income is so small. Where does the juice go to now? The juice goes to the stockholders. That is not what I am interested in making sure happens. I am interested in making sure that the juice ends up with affordable housing.

Mr. FRANK of Massachusetts. I move to strike the last word.

I will yield briefly to my friend from Georgia.

Mr. SCOTT of Georgia. Let me explain carefully what the juice is of what we're squeezing out.

Your amendment, by limiting the portfolio, does an important thing to bring the juice out. It threatens the viability of Fannie Mae and Freddie Mac by bringing the juice out by what I mean is by limiting their portfolios to less liquid, lower yielding assets, which eliminates their ability to cross subsidize affordable housing products using the earnings of their more diverse——

Mr. FRANK of Massachusetts. I am going to take back my time.

Mr. GARRETT of New Jersey. Will the gentleman yield?

Mr. FRANK of Massachusetts. I will yield to the gentleman at the end.

First, let me say to the gentleman from Louisiana, I agree with him in many ways. Yes, they haven't done enough. I do find a great inconsistency, not on the part of the gentleman from Louisiana, who has been completely consistent on this issue for years, but first, we were being told that we should not interfere with the profitability of Fannie Mae and Freddie Mac because we would be driving up the cost for middle-income homeowners. We heard that in several of the arguments in trying to get rid of the Affordable Housing Fund.

Now we have a much more serious attack on the ability of Fannie Mae and Freddie Mac to help middle-income homeowners. This says no more middle-income homeowners, only people below the median. We were told before that if we took $500 million from Fannie Mae and Freddie Mac's profits each year, we would inevitably be driving up the cost for middle-income borrowers. This would reduce Fannie Mae and Freddie Mac's profits by 7, 8, 10 times that amount. They get most of their profit from things held in the portfolio.

Mr. GARRETT of New Jersey. Will the gentleman yield now?

Mr. FRANK of Massachusetts. Yes, I will yield.

Mr. GARRETT of New Jersey. I appreciate that argument. But your argument before, if I heard you correctly, when we had a little dialogue before, was that it is your intent with the overall housing fund and where the money would come from is not from the homeowners. Your intention, if I understood correctly, was from the stockholders, from the investors.

□ 2030

My bill would do the exact same thing and say that it would not be coming from the homeowner or the investor as far as any burden on them.

Mr. FRANK of Massachusetts. Mr. Chairman, taking back my time, the gentleman has completely misstated for about the fourth time my arguments.

Mr. GARRETT of New Jersey. I only stated it once. How can it be four times?

Mr. FRANK of Massachusetts. Regular order, Mr. Chairman. I yielded to the gentleman.

I have said that I do not think it is my intent or anybody else's intent that will override the economics of the situation. I do not think we can legislate that it comes either out of this or out of that. The money is fungible. My view is that in the competitive situation in which they find themselves, much of this will come out of shareholders' profits. Some may come out of the banks and others they deal with.

The point I am making is this: The gentleman and others on the Republican side argue, they were arguing before about a mortgage tax increase. They kept saying we are going to raise the cost of mortgages, not by anything we did directly. Their argument was that when you reduce the profitability of these entities, they will be driven to raise their prices and that will cost other people more.

I believe they are far more constrained in their ability to raise prices. I don't think they are holding prices down now out of love. I think they are getting them up as high as they can now in the competitive situation.

But if you believe that reducing their profits will cause them to increase their prices and thus hurt other people, in this amendment that has a much greater impact of that kind than the housing fund, because this restriction on the portfolio will cause a far greater reduction in the profit than 1.2 basis points. And it again emphasizes to me that what we have are people who don't like the Affordable Housing Fund, because they have had various contradictory ways of trying to get rid of it. Now, the gentleman from Louisiana is correct, they haven't done enough to help low income people.

One of the things we do in this bill is to greatly increase the goals. We impose goals on Fannie Mae and Freddie Mac which also reduce their profitability. We tell them to do more of this kind of thing and we increase the enforcement mechanism for doing it. So we do try to increase the goals in the enforcement mechanism and we create the Affordable Housing Fund.

I would say this: Maybe they shouldn't have created these hybrids in the first place. They are part profit making and part with the public enterprise. It is hard to run them that way, I understand that. That is why many of us decided that we will try to get them in the direction of helping low income people, but given the pull of profit, some of what we should do is to take a piece of the profit and put it directly into affordable housing.

That is why we have a hybrid solution dealing with a hybrid. That is why I hope the amendment is defeated.

Mr. HENSARLING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentleman from New Jersey.

Mr. GARRETT of New Jersey. Mr. Chairman, I thank the gentleman.

To the point of the chairman, I am a little bit confused. He said that I have repeated his position four times differently. I have only been on the microphone three times now. But I am also confused on his position as to whether or not there really is an MTI, a mortgage tax increase, because initially he said it is going to be on the homeowners and it is not going to be on the stockholders. Now he says that money is fungible so it really can come from either place.

So, at the end of the day, I guess my original assertion was that there is an MTI, there is a mortgage tax increase, because they can come from the homeowners.

From the gentleman from Georgia, when he says there is a cross-subsidization from the larger portfolio, I would like to see the evidence of that. The evidence that we heard in committee on that point was from Chairman Bernanke and from the studies was there was not that cross-subsidization, and that in fact all the benefit comes not to the homeowners, the benefit comes to who? It comes to the shareholders.

In fact, under Chairman Bernanke's testimony, it would be better if the portfolios would be limited to this. Why? Because then they would do better than what the gentleman from Louisiana said, there is a fractional amount of work they are doing as far as helping the low income homeowners, and instead they would be holding those in their portfolios, those mortgages, as he said ''difficult to securitize.'' That would help out. That is giving real juice to the low and moderate income homeowner.

The Acting CHAIRMAN. The Chair would remind Members that under the 5-minute rule, the Members recognized may not yield specific amounts of time to be enforced by the Chair, but rather must reclaim their time as they see fit.

Mr. HENSARLING. Mr. Chairman, reclaiming my time, I tried to listen carefully to my friend from Georgia, his comments. I am not going to follow with the juice analogy and I don't care to put words in his mouth, but what I think I heard was he described the gentleman from New Jersey's amendment as perhaps the worst one that had been offered this evening, that would essentially gut the ability of Fannie and Freddie to achieve their affordable housing mission, or to achieve the mission that Congress has set up for them, and the gentleman is certainly entitled to his own opinion.

But when it comes to the use of the portfolio holdings of Fannie and Freddie, which we know, number one, according to the last two, the present and the past Chairmen of the Federal Reserve, creates huge systemic risk to our economy, which ultimately can bring down housing opportunities for all.

But if I could quote from a speech from Chairman Greenspan, who said, ''The Federal Reserve Board has been unable to find any credible purpose for the huge balance sheets built by Fannie and Freddie other than the creation of profit through the exploitation of the market-granted subsidy.''

To paraphrase, ''Their purchase of their own or each other's mortgage-backed securities with their market-subsidized debt do not contribute usefully to the mortgage market liquidity, to the enhancement of capital markets in the United States, or to the lowering of mortgage rates for the homeowners.''

Mr. Chairman, I would be happy to yield to the gentleman from Georgia.

Mr. SCOTT of Georgia. Thank you very much.

Let's get this right now. Anybody with any just basic common sense of how our investment system works in this country knows that if this amendment were effected here, if you were to put this amendment on any other enterprise, to dictate to that enterprise that your portfolio must exist at the lower yielding end of returns, you know good and well that that is not going to be helpful to that enterprise.

Mr. HENSARLING. Mr. Chairman, reclaiming my time, I am sure the gentleman from Georgia can get plenty of time from his side. All I am saying is the gentleman from Georgia is entitled to his own opinion, former Chairman Greenspan seems to have a different opinion of the use of the portfolio holdings in the housing mission. So in this particular case, I prefer to take the word of Chairman Greenspan and of Chairman Bernanke as opposed to my colleague from Georgia's expertise on the matter.

These portfolios have nothing, nothing to do with their mission and have everything, everything to do with systemic risk. And if we are going to leave them in place, they ought to at least be dedicated, somehow dedicated, to low income housing purposes, which ostensibly is what the purposes of Fannie and Freddie were in the first place.

Again, these are not operating, the GSEs are not operating in a competitive marketplace. They are operating in a government-sanctioned duopoly to where they have 80 percent of the market. There is not effective competition, there is not a check here, and we should approve the gentleman's amendment from New Jersey.

Ms. WATERS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would yield to the chairman so that he can straighten out some of that misinformation on the other side.

Mr. FRANK of Massachusetts. Mr. Chairman, I thank the gentlewoman, and I will yield to my friend from New Jersey after I have propounded a question.

My position consistently today has been that it is not possible with absolute specificity to say an enterprise is paying for this out of this pot or that pot or the other pot. I do believe most of this will come from the shareholders.

But people on the other side argue no, reducing the profitability by $500 million a year for both enterprises, levying 1.2 basis points on the portfolio, was going to raise the mortgage rates for the middle class. For people who believe that, I want them to explain to me how reducing the portfolio so substantially would not cost even more to the middle class?

Again, Members said taking $500 million in profit, 1.2 basis points on the portfolio, would raise the rates on the middle class. I assume it doesn't do it specifically. It does it by reducing the profitability and inducing them to raise prices.

Since it would reduce profitability by many multiples of the housing fund, why would it not have a much greater effect?

I yield to the gentleman.

Mr. GARRETT of New Jersey. Well, it is a good question, but it was a question that was essentially raised during the committee and answered by Chairman Bernanke at the time.

If Chairman Bernanke said, yes, there was with regard to the portfolios held by the GSEs a cross-subsidization of the market and therefore a benefit to the low and moderate income mortgages that they have, then the chairman's argument would be a correct one. But Chairman Bernanke did not say that.

Mr. FRANK of Massachusetts. Excuse me, I am taking back my time to apologize for apparently not being clear in my question. I wasn't talking about cross-subsidization. Here is the point. I would have thought it was clearer, and I apologize for my inarticulateness.

The argument was that by taking $500 million from profits, 1.2 basis points on the portfolio, we would be reducing profitability and inducing the enterprises to raise prices and therefore that would be a mortgage tax.

The gentleman's amendment would reduce the profitability by far more than $500 million a year. It would be a far greater levy on them than 1.2 basis points. Now, the mechanism by which they claim that the fund is a mortgage tax is that as you reduce their profitability, they are driven to raise prices and that will cost more.

Now, it has nothing to do with cross-subsidy. Why does an amendment which would substantially reduce the profitability not have an even greater effect in terms of the middle class, who would not be benefiting from the portfolio, in raising what they have to pay?

The Acting CHAIRMAN. The Chair will remind Members that the Member

who has the time decides whether to yield.

Mr. FRANK of Massachusetts. I just yielded. I said I yield.

The Acting CHAIRMAN. The Chair would remind the gentleman that it is the gentlewoman from California who has the time.

Mr. FRANK of Massachusetts. I apologize. I would ask the gentlelady to yield.

Ms. WATERS. I am not likely to want to yield to him. I want you to finish this up.

Mr. FRANK of Massachusetts. Please yield.

Ms. WATERS. If you insist.

Mr. FRANK of Massachusetts. I do. I hope the Chair is happy.

The Acting CHAIRMAN. The Chair is trying to maintain order.

Mr. FRANK of Massachusetts. I apologize. The gentlelady has yielded.

Ms. WATERS. Reluctantly.

The Acting CHAIRMAN. The gentleman from New Jersey has been yielded to by the gentlewoman from California.

Mr. GARRETT of New Jersey. The gentleman, first of all, misstates the actual language of the underlying bill when he says that the housing fund is a tax on profits of the GSEs. It is not a tax simply on the profits of the GSEs. It is a tax of the overall activity.

Ms. WATERS. Reclaiming my time, I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. I thank the gentlewoman.

That is not what I said. I said reducing the profitability. I would ask the gentlewoman not to yield any further. We are not going to get an answer. I apologize for starting the whole thing.

Mr. PRICE of Georgia. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am pleased to yield to my good friend from New Jersey.

Mr. GARRETT of New Jersey. Just one final point, and I do believe that the gentleman was saying that it was a tax on the profits of the GSEs as opposed to that. But be that as it may, remember, to the point the gentleman from Georgia made, the GSEs, even with this amendment, would still be allowed to securitize those larger loans.

This doesn't preclude them from doing that. It simply says that they should not be holding them in their portfolios, whereas the gentleman from Texas reiterated the point of Chairman Bernanke, that raises the overall risk to the overall functioning of the GSEs.

Finally, since they are able to continue to issue those large loans and therefore securitize those loans, the overall market of the GSEs is not hurt in one sense, and the profitability at the end of the day, as far as the money going to the low and moderate incomes, is not impacted.

Low and moderate income families are benefited by this bill. Taxpayers are benefited by this bill inasmuch as we reduce the risk of the GSEs on the one hand and we address and make sure that the GSEs return to their basic function of providing liquidity to the marketplace and providing access for low and moderate income housing in this country.

Mr. PRICE of Georgia. Mr. Chairman, reclaiming my time, I commend the gentleman for his amendment.

Mr. TAYLOR. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I followed this debate for several hours now, both here on the House floor and in my office, and what I sense is some people having a lot of fun at the expense of the least among us.

In my State tonight, 75,000 people will go to sleep in a FEMA trailer that the United States Department of Health has ruled is a health hazard because they have carcinogens in them. They have formaldehyde in them. But it beats the heck out of sleeping in a Chevy Astro Van. It beats the heck out of sleeping on their mother-in-law's couch, if their mother-in-law has a couch.

□ 2045

In the State of Louisiana, there are 49,000 families who will go to sleep in a FEMA trailer. Down around Bayou La Batre, Alabama, another thousand; in Texas, another thousand. This isn't a joke. This is trying to help the least among us. That is why you see Mr. BAKER trying to help this bill, and that is why you see me trying to help this bill. It is not a joke.

We talk about we ought to be doing better things with this money. What is better than helping people who 2 years ago who were middle class, who had homeowners insurance, who got screwed by the insurance company and woke up to find out they were poor because they lost everything in one night and their insurance company didn't pay.

No, I won't yield. You've had hours.

And they can't get any housing built because the workers can't move is because there is no place for the workers to live to build the houses. And yes, it is still going on, for those of you who wonder.

I am a U.S. Congressman. I am living in my third place since the storm. You all know what we make. We make lots of money. It's not that I can't afford one, there is none to get.

I am a Congressman. If that is happening to me at my salary, what do you think is happening to a schoolteacher or a retired chief petty officer or a policeman or a fireman. I thought that was what we were about, was helping people.

All of a sudden you are concerned about borrowing and where this money should go. It didn't bother you when you borrowed money from the communist Chinese. It didn't bother you for the past 12 years when you took money out of the Social Security trust fund. It bothers you now when we want to help the average Joes? Well, that bothers me.

The chairman is exactly right. The same folks who say we should have no accountability of where the billions of dollars go in Iraq, all of a sudden, demand that this money that might help somebody who used to be an average Joe who now finds himself in a horrible situation, my God, you don't want to do that.

Cut the games out. This is serious. This is about housing, a basic need. A basic need for our fellow Americans, not Iraqis. Our fellow Americans.

I have sat here and watched this game go on for hours, and I have had enough. I think the people of America, if they are following this debate, they've had enough.

It is time to move this bill. If you don't think it is a good idea to take the profits from this organization and ask that they be directed towards the housing needs of our fellow Americans, vote against the bill. But I happen to think that is a pretty good idea because I know guys who used to live in 6,000 square foot houses who are going to spend tonight in a FEMA trailer. Not because they want to, because they got screwed by their insurance company. They are still going to work. They can't find somebody to build a house.

When you lose 60,000 houses overnight, it puts a heck of a strain on the system. And when the workers who want to come there and build those houses have no place to live, it makes it even worse. We are trying to address that. These are real needs for real people.

You've made whatever political points you want to make to your constituency, but now it is time to move on and help our fellow Americans.

Mr. FEENEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, before I yield to the gentleman from New Jersey to respond, I would say that, as has been pointed out earlier, this Congress has already provided some $3 billion in housing relief, and I have an amendment coming up that would put the first year's funding into Hurricane Katrina relief for housing.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. FEENEY. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. People keep talking about $3 billion for Katrina. There was no housing construction fund in the hurricane bill. If that is meant to be construction, it is simply not the case. We put vouchers into the hurricane bill, but there was not $3 billion in any housing construction in the Katrina bill.

Mr. FEENEY. Reclaiming my time, my amendment up next, will help veterans in the long run, and in the short run will go to Hurricane Katrina relief.

I yield to the gentleman from New Jersey (Mr. GARRETT).

Mr. GARRETT of New Jersey. I thank the gentleman from Florida and the gentleman from Mississippi, although I cringe when Members on the

other side of the aisle characterize what our motivation is and our interest in these things.

I wonder whether the gentleman from Mississippi heard the gentleman from Louisiana speak about the dismal job that the GSEs have done so far with regard to what I believe both of us agree should be their intention which is to provide for low and moderate-income housing, such as the gentleman from Mississippi was talking about. A dismal job.

Part of the reason they do that dismal job, their explanation is, these loans, some of these loans are difficult to securitize. If you can't securitize the loans, they are not going to take them. That is their record. The numbers were given before that they hold in their portfolio. A very small percentage of these type of loans, which is the type of loans that the gentleman from Mississippi was talking about holding.

All this amendment does is this. It says GSEs, you are supposed to be doing everything the gentleman from Mississippi says we should be doing, and that is providing for housing for low and moderate-income individuals. You are not doing a good job right now. We are going to focus your attention on it. If you are having a problem securitizing these lower loans, fine, don't securitize them, but hold them in your portfolio and make that the crux of your business. Your business should not be, as it has been in the past, simply making larger profits than normal, the raises and salaries given to the top executives. Your business is helping the people in Mississippi and Louisiana.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. GARRETT).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. GARRETT of New Jersey. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from New Jersey will be postponed.

AMENDMENT NO. 5 OFFERED BY MR. AL GREEN OF TEXAS

Mr. AL GREEN of Texas. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Mr. AL GREEN of Texas:

Page 130, strike lines 6 through 11 and insert the following:

''(i) The allocation percentage for the Louisiana Housing Finance Agency shall be 45 percent.

''(ii) The allocation percentage for the Mississippi Development Authority shall be 18.333 percent.

''(iii) The allocation percentage for the Alabama Housing Finance Authority shall be 18.333 percent.

''(iv) The allocation for the Texas Department of Housing and Community Affairs shall be 18.333 percent.''.

Page 149, lines 16 and 17, strike ''and the Mississippi Development Authority'' and insert the following: '', the Mississippi Development Authority, the Alabama Housing Finance Authority, and the Texas Department of Housing and Community Affairs''.

Mr. AL GREEN of Texas. Mr. Chairman, I support the affordable housing trust fund. Why, because I believe at some point on the infinite continuum that we know as time, I will have to account for my time. And at that point when I have to explain what I did for the least, the last, and the lost, I will be able to say I supported clothing the naked, I supported feeding the hungry, and I supported shelter for the homeless.

At a time when we are spending $353 million a day on the war, what did you do, AL? I stood before the House and I requested that we support an affordable housing trust fund.

In a country where every day we have millionaires, in fact one of every 110 persons in this country is a millionaire. The question becomes what did you do when you had a chance to help the least, the last and the lost.

So today, I stand here to say I will try to help the least in Alabama. In Alabama, where we need an additional $146 million to $164 million to help Alabama recover from Katrina and Rita. In Texas, where we need an additional $1.5 billion, I support an affordable housing trust fund to get the job done.

So, Mr. Chairman, my amendment is a simple one. My amendment would not only recognize that Louisiana and Mississippi have been harmed. My amendment also recognizes that Katrina and Rita have done damage in Texas and Alabama. And my amendment would also allow funds to go to these two States as well. Forty-five percent of the funds would go to Louisiana, and the remaining funds would be divided equally among Mississippi, Alabama and Texas.

Mr. Chairman, I yield to the chairman.

Mr. FRANK of Massachusetts. I thank the gentleman for yielding.

There has literally been no Member of the House who has been more dedicated to helping those who are in trouble than the gentleman from Texas. He represents a community that is a model community: Houston.

We don't always show neighborliness in reaching out to others. The city of Houston, its mayor, its congressional delegation, its citizens, its police department, has known an extraordinary degree of compassion for fellow human beings in trouble. There are few examples in this country's history of one community reaching out as generously as the people of Houston have to the people who were forced to evacuate the gulf, particularly Louisiana.

The gentlewoman from California and I listened to the gentleman from Texas, and we put some language into the bill that we did last time on the hurricane.

On this one, at this point I would ask the gentleman to withdraw his amendment. We appreciate what has gone on. The destruction was greater in Mississippi and Louisiana. There are still unmet needs in Texas. We appreciate that. We have done something, and I acknowledge we have not done enough.

I promise the gentleman, we will continue to work with him to that end, but we have commitments in terms of the physical reconstruction to go to these two States.

There will be further years in this bill. Texas continues, particularly Houston, to have a big claim on us, and we will continue to try to work with the gentleman to try to resolve it, but we hope not to do it in a kind of zero-sum situation.

Mr. BAKER. Will the gentleman yield?

Mr. AL GREEN of Texas. I yield to the gentleman from Louisiana (Mr. BAKER).

Mr. BAKER. Mr. Chairman, I appreciate your courtesy. I will be very brief. I know your time is limited.

I just wish to express to you on behalf of the Louisiana delegation, our appreciation to you, your constituents, the city of Houston, and Texas, for your outstanding generosity and assistance. We hope to continue those feelings by having you leave our money alone.

Mr. AL GREEN of Texas. I thank the gentleman from Louisiana. I also thank the ranking member, MAXINE WATERS, for her efforts. I thank my chairman.

Mr. Chairman, I appreciate all you have done to help the least, the last and the lost. I assure you, I look forward to working with you as we continue on this journey.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The Acting CHAIRMAN. Without objection, the gentleman's amendment is withdrawn.

There was no objection.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the last word just to acknowledge the graciousness of the gentleman from Texas.

We will continue to work with him. Houston is entitled to more help and it will get it. The only thing, I want to be partially modest. He said I have the least, the last and the lost. I have tried hard tonight to help the least and the last. But in my debates with the other side, I haven't been able to make much of an impression on the lost.

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments on which further proceedings were postponed, in the following order:

Amendment No. 12 by Mr. BACHUS of Alabama.

Amendment No. 29 by Mr. HENSARLING of Texas.

Amendment No. 14 by Mr. MCHENRY of North Carolina.

Amendment No. 15 by Mr. KANJORSKI of Pennsylvania.

Amendment No. 27 by Mr. ROSKAM of Illinois.

Amendment No. 17 by Mr. GARRETT of New Jersey.

The Chair will reduce to 2 minutes the time for any electronic vote after the first vote in this series.

PARLIAMENTARY INQUIRY

Mr. FRANK of Massachusetts. Parliamentary inquiry, Mr. Chairman.

The Acting CHAIRMAN. The gentleman may state it.

Mr. FRANK of Massachusetts. The subsequent votes, do I understand correctly, will be 2-minute votes, Mr. Chairman?

The Acting CHAIRMAN. The gentleman is correct. After the first vote, subsequent votes will be 2-minute votes.

AMENDMENT NO. 12 OFFERED BY MR. BACHUS

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Alabama (Mr. BACHUS) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 148, noes 269, not voting 20, as follows:

[Roll No. 378]

AYES—148

Aderholt
Akin
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Carter
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis, David
Deal (GA)
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Everett
Fallin
Feeney
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Gallegly
Garrett (NJ)
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Inglis (SC)
Issa
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
LaHood
Lamborn
Lewis (CA)
Linder
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McHenry
McKeon
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Petri
Pitts
Poe
Price (GA)
Putnam
Rehberg
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Schmidt
Sensenbrenner
Sessions
Shadegg
Shimkus
Smith (NE)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiberi
Walberg
Wamp
Weldon (FL)
Westmoreland
Whitfield
Wicker
Wilson (SC)
Wolf

NOES—269

Abercrombie
Ackerman
Alexander
Allen
Altmire
Andrews
Arcuri
Baca
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boustany
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capito
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castle
Castor
Chandler
Christensen
Clarke
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis (KY)
Davis, Lincoln
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
Dent
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Emerson
English (PA)
Eshoo
Etheridge
Farr
Fattah
Ferguson
Filner
Frank (MA)
Frelinghuysen
Gerlach
Giffords
Gilchrest
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Hastings (FL)
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Hunter
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jindal
Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Kuhl (NY)
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Lee
Levin
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McCrery
McDermott
McGovern
McHugh
McIntyre
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Nadler
Napolitano
Neal (MA)
Norton
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pickering
Platts
Pomeroy
Porter
Price (NC)
Pryce (OH)
Rahall
Ramstad
Rangel
Regula
Reichert
Renzi
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Shuster
Simpson
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tiahrt
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Walden (OR)
Walsh (NY)
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Weller
Wexler
Wilson (NM)
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth
Young (AK)
Young (FL)

NOT VOTING—20

Baird
Bordallo
Burgess
Clay
Cubin
Davis, Jo Ann
Emanuel
Engel
Faleomavaega
Fortuño
Harman
Hastert
Johnson (IL)
Jones (OH)
Lewis (KY)
Maloney (NY)
McMorris Rodgers
Peterson (PA)
Radanovich
Shays

□ 2125

Messrs. ISRAEL, FERGUSON, ALEXANDER, DAVIS of Kentucky, YOUNG of Alaska, McCRERY, TIAHRT, WELLER of Illinois, LATHAM, FRELINGHUYSEN, YOUNG of Florida and Mrs. EMERSON changed their vote from ''aye'' to ''no.''

Mr. NEUGEBAUER and Mr. HALL of Texas changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 29 OFFERED BY MR. HENSARLING

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Texas (Mr. HENSARLING) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 2-minute vote.

The vote was taken by electronic device, and there were—ayes 164, noes 253, not voting 20, as follows:

[Roll No. 379]

AYES—164

Aderholt
Akin
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
Everett
Fallin
Feeney
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Gallegly
Garrett (NJ)
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Jindal
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
LaHood
Lamborn
Latham
Lewis (CA)
Linder
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McKeon
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Petri
Pickering
Pitts
Poe
Price (GA)
Putnam
Rehberg
Reichert

Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Schmidt
Sensenbrenner
Sessions
Shadegg
Shimkus
Smith (NE)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (SC)
Young (AK)
Young (FL)

NOES—253

Abercrombie
Ackerman
Alexander
Allen
Altmire
Andrews
Arcuri
Baca
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boustany
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castor
Chandler
Christensen
Clarke
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dent
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
English (PA)
Eshoo
Etheridge
Farr
Fattah
Ferguson
Filner
Frank (MA)
Frelinghuysen
Gerlach
Giffords
Gilchrest
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Hastings (FL)
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Kuhl (NY)
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
LaTourette
Lee
Levin
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McHugh
McIntyre
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Nadler
Napolitano
Neal (MA)
Norton
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Platts
Pomeroy
Porter
Price (NC)
Pryce (OH)
Rahall
Ramstad
Rangel
Regula
Renzi
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Shuster
Simpson
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walden (OR)
Walsh (NY)
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (NM)
Wilson (OH)
Wolf
Woolsey
Wu
Wynn
Yarmuth

NOT VOTING—20

Baird
Bordallo
Burgess
Clay
Cubin
Davis, Jo Ann
Emanuel
Engel
Faleomavaega
Fortuño
Harman
Hastert
Johnson (IL)
Jones (OH)
Lewis (KY)
Maloney (NY)
McMorris Rodgers
Peterson (PA)
Radanovich
Shays

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN (during the vote). Members are advised there is 1 minute remaining in this vote.

□ 2129

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 14 OFFERED BY MR. MCHENRY

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from North Carolina (Mr. MCHENRY) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIRMAN. This will be a 2-minute vote.

The vote was taken by electronic device, and there were—ayes 176, noes 240, not voting 21, as follows:

[Roll No. 380]

AYES—176

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis (KY)
Davis, David
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Fallin
Feeney
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Jindal
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Latham
Lewis (CA)
Linder
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McKeon
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Putnam
Regula
Rehberg
Reichert
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Schmidt
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuster
Smith (NE)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walberg
Walden (OR)
Wamp
Weldon (FL)
Weller
Westmoreland
Whitfield
Wicker
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOES—240

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boustany
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castor
Chandler
Christensen
Clarke
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis, Lincoln
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
Eshoo
Etheridge
Farr
Fattah
Ferguson
Filner
Frank (MA)
Giffords
Gilchrest
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Hastings (FL)
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McHugh
McIntyre
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Nadler
Napolitano
Neal (MA)
Norton
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Pryce (OH)
Rahall
Ramstad
Rangel
Renzi
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Simpson
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walsh (NY)
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Wilson (NM)
Wilson (OH)
Woolsey
Wu
Wynn
Yarmuth

NOT VOTING—21

Baird
Bordallo
Burgess
Clay
Cubin
Davis, Jo Ann
Emanuel
Engel
Faleomavaega
Fortuño
Harman
Hastert
Johnson (IL)
Jones (OH)
LaTourette
Lewis (KY)
Maloney (NY)
McMorris Rodgers
Peterson (PA)
Radanovich
Shays

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN (during the vote). Members are advised that 1 minute remains in this vote.

□ 2133

Mr. GERLACH changed his vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 15 OFFERED BY MR. KANJORSKI

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Pennsylvania (Mr. KANJORSKI) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 2-minute vote.

The vote was taken by electronic device, and there were—ayes 154, noes 263, not voting 20, as follows:

[Roll No. 381]

AYES—154

Abercrombie
Ackerman
Akin
Andrews
Arcuri
Baca
Baldwin
Barrow
Barton (TX)
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Brady (PA)
Braley (IA)
Brown, Corrine
Brown-Waite, Ginny
Capuano
Cardoza
Carnahan
Carney
Carson
Chabot
Clarke
Clay
Cole (OK)
Conyers
Costa
Costello
Courtney
Cuellar
Cummings
Davis (IL)
DeFazio
DeGette
DeLauro
Dent
Dicks
Doggett
Doyle
Edwards
English (PA)
Eshoo
Farr
Fattah
Filner
Frelinghuysen
Gonzalez
Gordon
Green, Gene
Grijalva
Hare
Hastings (FL)
Herseth Sandlin
Higgins
Hill
Hinojosa
Holden
Holt
Honda
Hooley
Israel
Jackson (IL)
Jackson-Lee (TX)
Kanjorski
Kaptur
Kennedy
Kildee
Knollenberg
Kucinich
LaHood
Langevin
Lantos
Larson (CT)
Levin
Lipinski
Loebsack
Lowey
Marshall
Matsui
McDermott
McGovern
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Miller (MI)
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy, Patrick
Murphy, Tim
Murtha
Nadler
Neal (MA)
Obey
Olver
Ortiz
Pascrell
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Reynolds
Rodriguez
Rogers (MI)
Rothman
Rush
Ryan (OH)
Ryan (WI)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Schwartz
Sensenbrenner
Serrano
Sestak
Shimkus
Skelton
Smith (WA)
Solis
Space
Spratt
Stark
Stearns
Stupak
Sutton
Tauscher
Taylor
Thompson (CA)
Tierney
Udall (CO)
Udall (NM)
Visclosky
Wamp
Wasserman Schultz
Waters
Waxman
Weiner
Welch (VT)
Wexler
Whitfield
Wu

NOES—263

Aderholt
Alexander
Allen
Altmire
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Bean
Becerra
Berkley
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boucher
Boustany
Boyd (FL)
Boyda (KS)
Brady (TX)
Brown (SC)
Buchanan
Burton (IN)
Butterfield
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Capps
Carter
Castle
Castor
Chandler
Christensen
Cleaver
Clyburn
Coble
Cohen
Conaway
Cooper
Cramer
Crenshaw
Crowley
Culberson
Davis (AL)
Davis (CA)
Davis (KY)
Davis, David
Davis, Lincoln
Davis, Tom
Deal (GA)
Delahunt
Diaz-Balart, L.
Diaz-Balart, M.
Dingell
Donnelly
Doolittle
Drake
Dreier
Duncan
Ehlers
Ellison
Ellsworth
Emerson
Etheridge
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Frank (MA)
Franks (AZ)
Gallegly
Garrett (NJ)
Gerlach
Giffords
Gilchrest
Gillibrand
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Green, Al
Gutierrez
Hall (NY)
Hall (TX)
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hinchey
Hirono
Hodes
Hoekstra
Hoyer
Hulshof
Hunter
Inglis (SC)
Inslee
Issa
Jefferson
Jindal
Johnson (GA)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jordan
Kagen
Keller
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Klein (FL)
Kline (MN)
Kuhl (NY)
Lamborn
Lampson
Larsen (WA)
Latham
LaTourette
Lee
Lewis (CA)
Lewis (GA)
Linder
LoBiondo
Lofgren, Zoe
Lucas
Lungren, Daniel E.
Lynch
Mack
Mahoney (FL)
Manzullo
Marchant
Markey
Matheson
McCarthy (CA)
McCarthy (NY)
McCaul (TX)
McCollum (MN)
McCotter
McCrery
McHenry
McHugh
McIntyre
McKeon
Mica
Michaud
Miller (FL)
Miller, Gary
Moran (KS)
Murphy (CT)
Musgrave
Myrick
Napolitano
Neugebauer
Norton
Nunes
Oberstar
Pallone
Pastor
Paul
Payne
Pearce
Pence
Perlmutter
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)
Putnam
Ramstad
Regula
Rehberg
Reichert
Renzi
Rogers (AL)
Rogers (KY)
Rohrabacher
Ros-Lehtinen
Roskam
Ross
Roybal-Allard
Royce
Ruppersberger
Sali
Sarbanes
Saxton
Schakowsky
Schiff
Schmidt
Scott (GA)
Scott (VA)
Sessions
Shadegg
Shea-Porter
Sherman
Shuler
Shuster
Simpson
Sires
Slaughter
Smith (NE)
Smith (NJ)
Smith (TX)
Snyder
Souder
Sullivan
Tancredo
Tanner
Terry
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Towns
Turner
Upton
Van Hollen
Velázquez
Walberg
Walden (OR)
Walsh (NY)
Walz (MN)
Watson
Watt
Weldon (FL)
Weller
Westmoreland
Wicker
Wilson (NM)
Wilson (OH)
Wilson (SC)
Wolf
Woolsey
Wynn
Yarmuth
Young (AK)
Young (FL)

NOT VOTING—20

Baird
Bordallo
Burgess
Cubin
Davis, Jo Ann
Emanuel
Engel
Faleomavaega
Fortuño
Harman
Hastert
Hobson
Johnson (IL)
Jones (OH)
Lewis (KY)
Maloney (NY)
McMorris Rodgers
Peterson (PA)
Radanovich
Shays

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN (during the vote). Members are advised that 1 minute remains in this vote.

□ 2138

Mr. MORAN of Virginia and Mr. HASTINGS of Florida changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 27 OFFERED BY MR. ROSKAM

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Illinois (Mr. ROSKAM) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIRMAN. This will be a 2-minute vote.

The vote was taken by electronic device, and there were—ayes 173, noes 245, not voting 19, as follows:

[Roll No. 382]

AYES—173

Aderholt
Akin
Alexander
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boustany
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Carter
Castle
Chabot
Coble
Cole (OK)
Conaway
Crenshaw
Culberson
Davis, David
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
Everett
Fallin
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Hall (TX)
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Hobson
Hoekstra
Hulshof
Hunter
Inglis (SC)
Issa
Jindal
Johnson, Sam
Jones (NC)
Jordan
Keller
King (IA)
King (NY)
Kingston
Kirk
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Latham
Lewis (CA)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul (TX)
McCrery
McHenry
McKeon
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Musgrave
Myrick
Neugebauer
Nunes
Paul
Pearce
Pence
Petri
Pickering
Pitts
Platts
Poe
Porter
Price (GA)
Pryce (OH)

Putnam
Ramstad
Regula
Rehberg
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Sali
Saxton
Schmidt
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuster
Smith (NE)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Terry
Thornberry
Tiahrt
Tiberi
Upton
Walberg
Walden (OR)
Wamp
Weldon (FL)
Weller
Westmoreland
Wicker
Wilson (SC)
Young (AK)
Young (FL)

NOES—245

Abercrombie
Ackerman
Allen
Altmire
Andrews
Arcuri
Baca
Baldwin
Barrow
Barton (TX)
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boswell
Boucher
Boyd (FL)
Boyda (KS)
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castor
Chandler
Christensen
Clarke
Clay
Cleaver
Clyburn
Cohen
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis (KY)
Davis, Lincoln
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ellison
Ellsworth
English (PA)
Eshoo
Etheridge
Farr
Fattah
Filner
Flake
Frank (MA)
Giffords
Gilchrest
Gillibrand
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Hastings (FL)
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind
Klein (FL)
Kucinich
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
LaTourette
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCollum (MN)
McCotter
McDermott
McGovern
McHugh
McIntyre
McNerney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Nadler
Napolitano
Neal (MA)
Norton
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reichert
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Simpson
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walsh (NY)
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Whitfield
Wilson (NM)
Wilson (OH)
Wolf
Woolsey
Wu
Wynn
Yarmuth

NOT VOTING—19

Baird
Bordallo
Burgess
Cubin
Davis, Jo Ann
Emanuel
Engel
Faleomavaega
Fortuño
Harman
Hastert
Johnson (IL)
Jones (OH)
Lewis (KY)
Maloney (NY)
McMorris Rodgers
Peterson (PA)
Radanovich
Shays

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN (during the vote). Members are advised that 1 minute remains in this vote.

□ 2142

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT NO. 17 OFFERED BY MR. GARRETT OF NEW JERSEY

The Acting CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from New Jersey (Mr. GARRETT) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The Acting CHAIRMAN. This will be a 2-minute vote.

The vote was taken by electronic device, and there were—ayes 92, noes 322, not voting 23, as follows:

[Roll No. 383]

AYES—92

Akin
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Bono
Brown (SC)
Brown-Waite, Ginny
Buyer
Campbell (CA)
Cannon
Carter
Chabot
Coble
Davis, David
Deal (GA)
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Fallin
Feeney
Flake
Foxx
Franks (AZ)
Frelinghuysen
Garrett (NJ)
Gingrey
Graves
Hastings (WA)
Hayes
Hensarling
Hoekstra
Inglis (SC)
Issa
Johnson, Sam
Jordan
King (IA)
Kingston
Lamborn
Lewis (CA)
Linder
Lucas
Lungren, Daniel E.
Mack
McCarthy (CA)
McHenry
McKeon
Mica
Miller (FL)
Musgrave
Myrick
Paul
Pearce
Pence
Petri
Pickering
Pitts
Poe
Price (GA)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Sali
Sensenbrenner
Shadegg
Shimkus
Smith (NE)
Smith (TX)
Souder
Stearns
Sullivan
Tancredo
Upton
Walberg
Wamp
Weldon (FL)
Weller
Westmoreland
Wicker
Wilson (SC)

NOES—322

Abercrombie
Ackerman
Aderholt
Alexander
Allen
Altmire
Andrews
Arcuri
Baca
Bachmann
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Biggert
Bishop (GA)
Bishop (NY)
Blumenauer
Blunt
Boehner
Bonner
Boozman
Boren
Boswell
Boucher
Boustany
Boyd (FL)
Boyda (KS)
Brady (PA)
Brady (TX)
Braley (IA)
Brown, Corrine
Buchanan
Burton (IN)
Butterfield
Calvert
Camp (MI)
Cantor
Capito
Capps
Capuano
Cardoza
Carnahan
Carney
Carson
Castle
Castor
Chandler
Christensen
Clarke
Clay
Cleaver
Clyburn
Cohen
Cole (OK)
Conaway
Conyers
Cooper
Costa
Costello
Courtney
Cramer
Crenshaw
Crowley
Cuellar
Culberson
Cummings
Davis (AL)
Davis (CA)
Davis (IL)
Davis (KY)
Davis, Lincoln
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
Dent
Dicks
Dingell
Doggett
Donnelly
Doyle
Edwards
Ehlers
Ellison
Ellsworth
Emerson
English (PA)
Eshoo
Etheridge
Everett
Farr
Fattah
Ferguson
Filner
Forbes
Fortenberry
Fossella
Frank (MA)
Gallegly
Gerlach
Giffords
Gilchrest
Gillibrand
Gillmor
Gohmert
Gonzalez
Goode
Goodlatte
Gordon
Granger
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hall (TX)
Hare
Hastings (FL)
Heller
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hobson
Hodes
Holden
Holt
Honda
Hooley
Hoyer
Hulshof
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jindal
Johnson (GA)
Johnson, E. B.
Jones (NC)
Kagen
Kanjorski
Kaptur
Keller
Kennedy
Kildee
Kilpatrick
Kind
King (NY)
Kirk
Klein (FL)
Kline (MN)
Knollenberg
Kucinich
Kuhl (NY)
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Lee
Levin
Lewis (GA)
Lipinski
LoBiondo
Loebsack
Lofgren, Zoe
Lowey
Lynch
Mahoney (FL)
Manzullo
Marchant
Markey
Marshall
Matheson
Matsui
McCarthy (NY)
McCaul (TX)
McCollum (MN)
McCotter
McCrery
McDermott
McGovern
McHugh
McIntyre
McNerney
McNulty
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Moran (VA)
Murphy (CT)
Murphy, Patrick
Murphy, Tim
Murtha
Nadler
Napolitano
Neal (MA)
Neugebauer
Norton
Nunes
Oberstar
Obey
Ortiz
Pallone
Pascrell
Pastor
Payne
Perlmutter
Peterson (MN)
Platts
Pomeroy
Porter
Price (NC)
Pryce (OH)
Putnam
Rahall
Ramstad
Rangel
Regula
Rehberg
Reichert
Renzi
Reyes
Reynolds
Rodriguez
Roskam
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Saxton
Schakowsky
Schiff
Schmidt
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sessions
Sestak
Shea-Porter
Sherman
Shuler
Shuster
Simpson
Sires
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Solis
Space
Spratt
Stark
Stupak
Sutton
Tanner
Tauscher
Taylor
Terry
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walden (OR)
Walsh (NY)
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Whitfield
Wilson (NM)
Wilson (OH)
Wolf
Woolsey
Wu
Wynn
Yarmuth
Young (AK)
Young (FL)

NOT VOTING—23

Baird	Fortuño	Maloney (NY)
Bordallo	Harman	McMorris Rodgers
Burgess	Hastert	Meehan
Cubin	Herger	Olver
Davis, Jo Ann	Hunter	Peterson (PA)
Emanuel	Johnson (IL)	Radanovich
Engel	Jones (OH)	Shays
Faleomavaega	Lewis (KY)	

□ 2146

So the amendment was rejected.

The result of the vote was announced as above recorded.

(By unanimous consent, Mr. HOYER was allowed to speak out of order.)

LEGISLATIVE PROGRAM

Mr. HOYER. Mr. Chairman, ladies and gentlemen, I want to inform my colleagues that we expect no further votes tonight. We expect to proceed to completion of this bill tonight. All votes, further votes that are called for will be rolled and will be voted upon on Tuesday. But as long as the Members want to go tonight, we're going to go. We're going to finish this bill tonight.

Mr. FRANK of Massachusetts. Will the gentleman yield?

Mr. HOYER. I yield to my friend

Mr. FRANK of Massachusetts. I wish the gentleman would have said that last sentence a little less assertively.

Mr. BLUNT. Would the gentleman yield?

Mr. HOYER. I'd be glad to yield to my friend.

Mr. BLUNT. While the gentleman has the floor, could you give us an idea of what else to expect next week?

Mr. HOYER. Well, we're coming back Monday. There will be votes at 6:30. There'll be suspensions. On Monday the House will meet at 10:30 a.m. for morning-hour business and noon for legislative business. We'll consider several bills under suspension of the rule as is usual. Notice of those bills will be given by the end of the week.

On Tuesday, the House will meet at 9 a.m. for morning hour business, 10 a.m. for legislative business. We'll consider additional bills under suspension of the rules. A complete list, as I said, will be announced by the close of business tomorrow. On Wednesday and Thursday the House will meet at 10 a.m. We expect to consider H.R. 1100, the Carl Sandburg Home National Historic Site Boundary Provision, and H.R. 2316, Honest Leadership and Open Government Act, and the conference report on the supplemental appropriations to fund Iraq, Katrina, veterans health and other matters.

Mr. BLUNT. If the gentleman would further yield. Our Members, I think, in agreement with the gentleman's view on this, said we'd prefer to stay until this supplemental is done. And is that your inclination at this time?

Mr. HOYER. It is our intention to pass the supplemental before we break for the Memorial Day Break, yes.

Mr. BLUNT. I thank the gentleman.

AMENDMENT NO. 16 OFFERED BY MR. FEENEY

Mr. FEENEY. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 16 offered by Mr. FEENEY:

Line 16 on page 127, strike the dash and all that follows through line 10 on page 128 and insert the following: ''to provide housing assistance, in 2007, for areas affected by Hurricane Katrina or Rita of 2005 and, after 2007, to provide housing assistance for supported rental housing for disabled homeless veterans.''.

Page 130, lines 23 and 24, strike ''establish a formula to allocate'' and insert the following: ''provide for the allocation''.

Page 131, line, 1 insert ''of'' before ''the''.

Strike line 4 on page 131 and all that follows through line 2 on page 132 and insert the following:

''The funding shall be distributed to public entities and allocated based on the formula used for the Continuum of Care competition of the Department of Housing and Urban Development.''

Page 136, lines 7 through 9, strike ''For each year that a grantee receives affordable housing fund grant amounts, the grantee'' and insert ''Each grantee for 2007 that receives affordable housing fund grant amounts''.

Page 138, line 1, strike ''the'' and insert ''any''.

Page 138, line 5, before the period insert '', if applicable''.

Page 138, line 7, after ''grantee'' insert ''for 2007''.

Page 140, after line 6 insert the following:

''Affordable housing fund grant amounts of a grantee for any year after 2007 shall be eligible for use, or for commitment for use, only for rental housing voucher assistance in accordance with paragraph (19) of section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(19).''.

Page 140, line 22, strike ''or''.

Page 140, line 25, after the semicolon insert ''or''.

Page 140, after line 25, insert the following:

''(E) administer voucher assistance described in the matter in subsection (g) after and below paragraph (3);''.

Page 142, line 3, strike ''each year'' and insert ''2007''.

Page 142, line 10, strike ''each year'' and insert ''2007''.

Page 147, line 20, before ''the manner'' insert ''for each grantee in 2007,''.

Page 151, line 15, before ''requirements'' insert ''with respect to affordable housing fund grant amounts for 2007,''.

Page 153, strike lines 1 through 3 and insert the following:

''(F) for the grantees for 2007, requirements and standards for establishment, by the grantees, of per-''.

Mr. FEENEY. Mr. Chairman, picking up where we left off, we've had a considerable amount of debate about the affordable housing fund concerns that many of us in the minority party have about this fund. And I'm not going to put words in the chairman's mouth, as some people did. I promise not to do that to Chairman FRANK.

But there has been an ongoing debate from about 5 o'clock on about whether or not the affordable housing fund amounts to a tax. The truth of the matter is, government only gets money one of three ways. It either prints money, and there's nothing in this bill that tells the Treasury Department or the Mint to print any money. It borrows money, as in Treasury bonds, and nothing in this bill suggests that anybody's going to be repaid the $3 billion that the GAO says this will cost over the next 5 years. Clearly, the only other way government gets money is a tax. Whether we are taxing the shareholders, whether we are taxing ultimately the consumers of low income, middle income mortgages, or a combination of both, this is a tax.

Now, the question is what to do with this tax money. A lot of us have concerns about the fact that we're going to dump this $3 billion into a fund that has not been created, does not have a specific mission, does not have guidelines and does not have any controlling organization or entity. It may turn out to be a wonderful way to spend $3 billion. But we are very concerned with what we see.

I have fashioned a compromise here because some of the amendments on the minority side get rid of the fund or don't fund the fund. I actually fully fund the fund with the Feeney amendment. And we fund it to deal with housing issues for people that are needy. We've heard a lot of talk about lack of compassion for the needy.

What my amendment does is to take the first year's $500 million plus and send it to the victims of Katrina. We heard passionately from the gentleman from Mississippi, from my friend from Louisiana about the needs in the aftermath of Katrina. We keep that funding in place in year one.

But beyond that, in the balance of the years, what we do is to fund necessary housing for disabled American veterans. We use a system to make sure that disabled American veterans who are homeless have access to an opportunity to have a home and a place to live through rental assistance.

I spoke to Secretary Nicholson today of the VA. He tells me that we estimate there are 195,000 homeless veterans. Many of those veterans are disabled, either mental disabilities that come from their battle scars, their battle wounds or physical disabilities. What better way to honor the commitment that the majority has made. We're going to deal with the truly needy in America. But also rest assured that we're going to be dealing with people that have earned the right to get housing assistance, than to suggest that after we take care of Katrina hurricane victims in year one, that we are going to take care of those veterans that are disabled, that are needy and that need a roof over their head.

Mr. Chairman, I commend this as a compromise between the majority's compassion for the needy and the minority's concern that the trust fund that has not been established and has no guidelines may go wayward with this $3 billion.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the author of the amendment clearly indicates he would like to kill the housing fund altogether. He voted to do that in several

ways. We had several votes to do that. We're going to have about 10 votes on the same issue on this bill. I don't know, there's seven different ways to kill your lover. We have about 11 different ways to try to kill the affordable housing fund. Some of them contradict each other because they are joined only by the common opposition to the Federal Government constructing affordable housing. This bill continues that, this amendment, because the key change it makes is to strike the provision that says it will be used for the construction of affordable rental housing and says only vouchers. Now, the vouchers are useful as part of a balanced program. But the vouchers now have been, under the Republicans policy, annual vouchers. We haven't been able to change that yet. Maybe we will.

Mr. FEENEY. Would the gentleman yield?

Mr. FRANK of Massachusetts. Yes.

Mr. FEENEY. Will the gentleman show me in my amendment where we refer to the voucher program? I would express to him our intent clearly is not to participate in the voucher. This is a new program.

Mr. FRANK of Massachusetts. I will be glad to read to the gentleman his amendment, or at least the one that I have. Is this No. 16?

Mr. FEENEY. It's a modification. With the permission of the chairman and unanimous consent, we have a modification.

Mr. FRANK of Massachusetts. When did we get unanimous consent to modify? I don't remember hearing that request. Parliamentary inquiry.

The Acting CHAIRMAN. The Chair wishes to make clear the amendment has not yet been modified.

Mr. FRANK of Massachusetts. Well, I will then take back my time. The gentleman chides me apparently for telling the truth. I have the amendment as printed. I am reading the amendment. He says where in it is the voucher program? Here on page 2 on lines 2, 3 and 4. And it's not very arcane. Let me read it. Affordable housing fund grant amounts of a grantee for any year after 2007 shall be eligible for use or for commitment for use only for rental housing voucher assistance in accordance with paragraph 19.

Now, I apologize to the gentleman for reading his amendment. I had previously to apologize to the gentleman from Illinois for reading his amendment. The gentleman corrected me incorrectly. I would like to go on and correct his incorrect correction before I again yield. The gentleman's purpose may be confusing to people, but I just want to be clear.

Mr. FEENEY. Mr. Chairman, may I make a parliamentary inquiry?

Mr. FRANK of Massachusetts. I do not yield for the purposes of a parliamentary inquiry. Parliamentary inquiries are only done after the holder of the floor yields. And the fact is that I do want to make it clear I am reading the gentleman's amendment. It says only for vouchers, and that's why I said that. Now I will be glad to yield to him.

Mr. FEENEY. Well, thank you. And when the gentleman had yielded previously, I had made a motion for unanimous consent to use the modified amendment which does not refer to the voucher program. And so I had made that motion and had not got a ruling.

Mr. FRANK of Massachusetts. I object.

The Acting CHAIRMAN. The gentleman from Florida has made a motion requiring unanimous consent.

Objection is heard.

Mr. FEENEY. Will the gentleman yield?

Mr. FRANK of Massachusetts. Yes.

Mr. FEENEY. Now we're back on the voucher program that the chairman has a problem with. But I still suggest that the voucher program is better than putting it back.

Mr. FRANK of Massachusetts. I take back my time. I've yielded to the gentleman for varying explanations of his varying amendments. But I want to talk about the one we have. First of all, I do not give consent because we had a pre-filing deadline precisely so that we can study these things. They are somewhat complicated. I think having them come right off the top of people's heads, particularly at 10 o'clock at night, after we've debated the same issue about seven times, it's not a good idea to come up with something brand new.

Here's the amendment. It says only vouchers, and it says it in several places, that it's for vouchers. And here's the problem with vouchers. He says it's still better than constructing housing. No, it is not, because a voucher program helps you compete for existing rental housing. But an annual voucher program, which is referenced in this bill, in this amendment, does not give you the ability to build new housing.

In parts of this country there is a housing shortage, that's a problem. In the gulf it's a problem because the housing was destroyed. So when you only do vouchers and do not help build affordable housing, you run into that problem.

Now, under our proposal, communities would have the ability to make choices. But what the gentleman says is in parts of the country where there is already a shortage of physical affordable housing, all his amendment would do would be to drive up the price by increasing the demand for it without in any way adding to the supply.

Now the gentleman's apparently acknowledged the flaws in the amendment by trying to modify it after he had previously submitted it. I don't believe this kind of last minute changes ought to be made at this point. And so we are left with the flawed amendment.

I understand the gentleman's desire to kind of disown it. But the fact is, it is what it is. And a voucher-only program does not add to affordable housing supply and that's what we need.

Mr. BUYER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I'm not going to get into the detail here that you have. We have an opportunity to utilize a fund that will help our disabled veterans and get many of them off the street.

I would yield to the gentleman and ask him is that not yet a worthy cause.

Mr. FRANK of Massachusetts. Yes, it is. And here's the point. And if the gentleman would yield to me. I do not think, and it says, disabled homeless veterans. I would agree between now and when we get to conference to give a first preference to disabled homeless veterans. I have two problems with this amendment. First of all, it is not clear that there are that many disabled homeless veterans to absorb 800 million a year. If there are you could deal with it.

But secondly, I do not think in many parts of the country, including my own, that if you only did vouchers you would be doing enough for them. I'd like to build some housing, some with supportive services. But I will give the gentleman my commitment that in the final bill we should be giving a very high preference to disabled homeless veterans.

Mr. BUYER. Thank you very much. I reclaim my time. That's the commitment that I came to the floor here today knowing that yes, you wanted to create this trust fund and understanding whether or not there are any guidelines, your commitment to me to work with me and others who have an interest, that you'll give preference to homeless veterans, I take you at your word, Mr. Chairman, and I'll work with you.

□ 2200

Mr. FRANK of Massachusetts. And the localities will have the ability to do it by voucher or by construction, including, as the gentleman well understands from his work, maybe places that have supportive housing as part of it. That would be an eligible use.

Mr. BUYER. I rise here today to work with you as we go here and into conference.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. FEENEY).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. FEENEY. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Florida will be postponed.

AMENDMENT NO. 8 OFFERED BY MR. PRICE OF GEORGIA

Mr. PRICE of Georgia. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 8 offered by Mr. PRICE of Georgia:

Page 144, after line 19, insert the following:

''(8) ACCEPTABLE IDENTIFICATION REQUIREMENT FOR OCCUPANCY OR ASSISTANCE.—

''(A) IN GENERAL.—Any assistance provided with any affordable housing grant amounts may not be made available to, or on behalf of, any individual or household unless the individual provides, or, in the case of a household, all adult members of the household provide, personal identification in one of the following forms:

''(i) SOCIAL SECURITY CARD WITH PHOTO IDENTIFICATION CARD OR REAL ID ACT IDENTIFICATION.—

''(I) A social security card accompanied by a photo identification card issued by the Federal Government or a State Government; or

''(II) A driver's license or identification card issued by a State in the case of a State that is in compliance with title II of the REAL ID Act of 2005 (title II of division B of Public Law 109-13; 49 U.S.C. 30301 note).

''(ii) PASSPORT.—A passport issued by the United States or a foreign government.

''(iii) USCIS PHOTO IDENTIFICATION CARD.—A photo identification card issued by the Secretary of Homeland Security (acting through the Director of the United States Citizenship and Immigration Services).

''(B) REGULATIONS.—The Director shall, by regulation, require that each grantee and recipient take such actions as the Director considers necessary to ensure compliance with the requirements of subparagraph (A).''.

Mr. PRICE of Georgia. Mr. Chairman, I appreciate the conversation that just went on and the gentleman from Florida's amendment and his desire to modify his amendment because I think it brings out the point clearly that this is, in fact, a closed rule and should be recognized as such by our colleagues and by the American people.

This amendment I am offering, along with Representatives CAPITO and CAMPBELL and PEARCE, and I want to thank them for their leadership on this issue and urge my colleagues to look at this amendment carefully. This amendment would prevent illegal immigrants from owning or renting housing built by funds from the Affordable Housing Fund by requiring the adult occupants of that housing to establish their legal residency through the use of secure forms of identification.

Across the country, whether it is Denver, where in 2006 there was an estimated 20,000 illegal immigrants holding FHA-insured loans, or L.A., where banks have begun offering them credit cards, clear reform and oversight is necessary.

In some of these cases, like the FHA loans, the documents submitted with their applications to GSE are later proved to be false, resident alien numbers that have never been issued, Social Security numbers that belong to other people, and W–2 forms that are fabricated.

In the case of financial institutions, minimal documents are required by their regulators to establish a new customer's identity to open accounts, and then after a few short months pass, banks are giving these illegal immigrants credit cards.

So the current loopholes in Federal law are an invitation to illegal immigration, and we shouldn't reward those coming here illegally with the privilege of the services afforded to American citizens. This would clearly result in back-door amnesty.

Our amendment would require the Director of the Federal Housing Finance Agency to ensure that any assistance provided from the Affordable Housing Fund should be for adults who are legal residents in the United States. Occupants of this housing may either use a foreign service or U.S. passport; a Citizenship and Immigration Services, CIS, photo ID card; or a Social Security card in conjunction with a State or Federal ID. These forms of identification are considered to be the most secure types of identification because they are harder to forge or to duplicate. They are all issued by a government agency which has more checks and balances against illegal immigrants, criminals, or terrorists from obtaining these documents.

The current regulations to establish a customer's identity do a disservice to the American people. And I am confident that greater clarification in this area will help stem the tide of illegal aliens, which has been promoted due to a lack of clarity on this issue. The Federal Government should not be operated under obscure parameters that do not serve our Nation. We can strengthen these regulations to help protect America.

The CBO estimates that over the period from 2008 to 2011 that the housing fund created by this bill will generate roughly $3 billion. This is not an insignificant amount of money, and that will be available to build new housing as a result of this legislation.

To the best of our ability, we must eliminate the ability of someone here illegally to use new taxes from hard-working Americans to ''buy a home.'' That is not leadership and it is the wrong incentive.

So I urge my colleagues to reject back-door amnesty for illegal immigrants and to support this commonsense amendment.

Mr. SCOTT of Georgia. Mr. Chairman, I move to strike the last word.

Mr. Chairman, to my distinguished friend from Georgia, whom we served in the legislature together there in Georgia, whom I respect greatly, but I have got to disagree with this amendment, with all due respect.

First of all, we already have this in an accepted amendment by Mr. BOOZMAN that requires that recipients of housing assistance under the bill's Affordable Housing Fund be able to demonstrate with sufficient evidence that they are lawfully present in the United States. That is sufficient. It is already in there.

But let me just point out the real problems and the complexities with this REAL ID. First of all, the REAL ID Act would have States implement new standards, new technology, and new procedures for processing and approving driver's license applications by May of 2008. On March 1 the Department of Homeland Security issued 162 pages of proposed REAL ID regulations acknowledging this one undeniable fact, that compliance by May 2008 would be in their statement an ''impossible task.'' So we could not even do it. By the time the comment period closed last week, the Department of Homeland Security had received over 12,000 comments opposing what the gentleman from Georgia is talking about. The proposed cost for the states, by DHS's own estimation, would be $23.1 million that would be added if the gentleman from Georgia's idea would be incorporated. Only $40 million has been appropriated so far, an amount that wouldn't even begin to cover the costs in one State alone, which would be, let's say, Maine, where the estimate for compliance there is $180 million.

The astronomical cost of this mandate is not our only concern with the gentleman from Georgia's amendment. REAL ID requires that States would have to link their DMF databases with every other State in the Union, raising major concerns about privacy issues and security risks of a nationwide interoperable system.

The amendment by the gentleman from Georgia may be well intended, but it would throw our entire system on top of its head and would not even begin to even deal with this issue that is already being dealt with in a more appropriate way by Mr. BOOZMAN's amendment, which has been accepted. We have got to ensure that all of our identity documents are secure, but REAL ID will not work in its current form. We need to bring together DHS, DOT, States, and experts in privacy, civil liberties, constitutional rights to establish national standards that will protect both our national security and the privacy of American citizens. This amendment would not deal with that, so we must urge everyone to oppose it.

Finally, my point is that immigration is, indeed, a big issue. It is a complex issue, and we are going to deal with that. But, again, you have tried it with the veterans. You have tried it with the debt. You tried it with restricting portfolios. You have even tried to tie it to Social Security and the veterans. And now you are trying to tie this immigration fight onto this simple program to try to bring some affordable housing to the most needy people that need it in our country and especially those that have been devastated from the hurricanes down in Louisiana and in Mississippi.

So, Mr. Chairman, I urge defeat of this amendment. Vote ''no'' on the gentleman from Georgia's amendment.

Mr. PEARCE. Mr. Chairman, I move to strike the last word.

I thank both gentlemen from Georgia for their work, either plus or against this amendment.

I offer to support the amendment tonight, have helped cosponsor it. I appreciate the work that the gentleman from Georgia has done.

Mr. Chairman, our amendment simply requires secure forms of identification. It can be any form. It can be a foreign passport, a U.S. passport. It can be a Citizenship and Immigration Services photo ID card, a Social Security card with some State or Federal ID.

These secure forms of identification are relatively easy for legal residents and citizens to accomplish and to acquire. They are relatively difficult for illegals to acquire. So I think that the gentleman's amendment is very appropriate.

We are finding that more and more services that should go to legal American citizens are being soaked up by those who come here illegally. In the Second District of New Mexico, we are on the southern border of the United States bordering Mexico, and I will tell you that our hospitals are overwhelmed. Good tax-paying citizens come to me and ask why is it that one's daughter whose husband and she make $30,000 or $40,000 a year just paid $5,000 to have a baby and the girl in the bed next to her got it for free?

We are finding that this is the case over and over. And so requiring this fund to establish some sort of legality, some sort of legal residency or citizenship is not an onerous burden, and in fact it is one that most Americans would expect that we would accomplish.

I will tell you that the underlying bill, in establishing one of the trust funds, is a very problematic situation. We heard the left declare when they came into power in this Congress that they would spend the profits of companies like Exxon, and now we are seeing them actually reach down and pluck those profits away, put them into a fund, and with no discretion, no declaration of how those funds are to be spent. I don't think that is what Americans want.

And just so we understand the real process, this same technique of establishing funds that simply appear in the authorization bills is also accomplished in H.R. 6 and the Hardrock Mining bill. Those attempts to reach out and take money from corporations to spend it because the left declared that to be their intent when they came to power in this House of Representatives.

So my friends, I would suggest that making a requirement for U.S. citizenship is not too much.

I would say also we have received a lecture tonight about hypocrisy, we on the Republican side. I would comment that just earlier today we have heard promises from the other side that they were not going to have secret votes to increase the debt limit, and yet even today almost $1 trillion in debt limit was increased without a vote, without the transparency that we were promised. We were promised under the new majority earmark reform, and within the last couple of weeks we have seen a little $23 million earmark slid into the bottom of a bill with no ability to even comment about it.

We were told that we are going to protect the American soldiers, and yet we see funding mechanisms that take money from the operational troops and placed only for training.

So my friends, when we are told to trust us, that we will create this fund and we will write the specifications later, I say in New Mexico we have a saying ''trust your neighbor but brand your cows.''

This bill with the Affordable Housing Fund is no cow. It is mostly bull. But we had still better brand it and watch for what we are doing.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the last word.

I also want to strike a few misconceptions. First, the gentleman quite inaccurately said that the money here is authorized with no direction about how it is spent. The only money that will be spent if the bill becomes law, unless there is further action by the Congress of the United States, is the money that will go to Mississippi and Alabama, and the bill is quite clear that that will go to the States of Mississippi and Alabama. No further expenditures will be authorized until a second bill goes forward describing how they will be done. So the bill does describe how they will be done for Mississippi and Alabama. And, yes, there will be a second bill that will, we believe, describe how this money will be spent.

Secondly, he said we are reaching down to corporations like Exxon and taking their money. Well, Fannie Mae and Freddie Mac are very different than other corporations. They are federally chartered and have very specific Federal advantages. So, no, there is not an analogy between directing them and, in fact, other corporations, as was recognized, for instance, by Secretary Jackson of HUD as he began to criticize them for not doing enough in their affordable housing goals.

□ 2215

But the more important issue I have to say, Mr. Chairman, is I am somewhat puzzled by the, I don't know if it's a clash of egos or what, the inability of people on the other side to coordinate.

There were four separate amendments that seek to do exactly the same thing. Yes, we agree; people who are in the country illegally should not be the beneficiaries of this program. In fact, we accepted the amendment offered by the gentleman from Arkansas (Mr. BOOZMAN) who says that very clearly. It does say that you can't be here unless you are here legally, and says that the director shall issue requirements calling for sufficient evidence to show that. Now, one difference between that amendment and this one is this one gets people back into the controversy over the REAL ID Act. That was controversial when passed. A number of States, governors and legislatures have expressed disagreement.

Now, we already have accepted into the bill the amendment of the gentleman from Arkansas to deal with the question of keeping out people who are here illegally. Three other amendments, I guess people all want to get credit for the same thing, but one of the things they do is to get into the REAL ID Act.

So Members should understand that in voting for this amendment, you will be going beyond simply keeping people out of this program who are here illegally; we've already accepted an amendment directing that that be done. Instead, you will be getting the privilege of getting back into the controversy of the REAL ID Act. If you come from a State where that's not popular, then you get a chance to vote for it unnecessarily, since we already have the restriction.

Mr. Chairman, I will now yield to the gentleman from New Mexico.

Mr. PEARCE. I thank the gentleman for yielding.

I would point out that the REAL ID Act is not the only source of documents, that people who are here illegally should have some sort of U.S.—

Mr. FRANK of Massachusetts. Mr. Chairman, I will take back my time to say yes, that's true. That is why the gentleman from Arkansas' amendment, which was adopted, sets forward the requirements.

This does mention the REAL ID Act. It is an affirmation of the REAL ID Act. It doesn't say it's the only way. But Members should understand, in adding this to what we have already accepted from the gentleman from Arkansas, what Members will be doing will be getting a chance to, once again, tell their State they may have a problem. Yes, we like the REAL ID Act and you've got to stick with the REAL ID Act. I don't understand why Members would want to reintroduce that controversy when we already have accepted an amendment that says there shall not be anybody in here who is not here legally. And it says, ''Regulations, as the director shall issue, setting forth requirements for sufficient evidence that they are lawfully present in the United States.''

So we have an amendment that has been accepted that will be part of the bill if it becomes law that says you must, according to the director, be able to show, the gentleman said there are various ways to do it. Now, this bill gets more specific and it gives some examples, including, they said, the REAL ID Act. And I don't think all the Members are eager once again to take a position about the REAL ID Act in the face of a lot of opposition from governors and legislatures when exactly the same purpose has been identified here.

You know, people used a cliche before, everybody's entitled to his own opinion, but everybody's not entitled to his own facts. But I guess on the Republican side, the rule is everybody is entitled to his own amendment on a popular issue, because we have four identically on this. We had 11 on the fund. We have six on something else.

Now, far be it from me to try to get them to coordinate, but we're going to be here for a couple more hours mostly debating amendments that were offered by people on the same subject of a previous amendment, some of which were offered because somebody didn't get the credit for it. So maybe this isn't the REAL ID Act, it's the ''Real-Credit-For-Me Act.'' And we already have in the bill, as I said, an amendment that accomplishes this purpose.

Mr. NEUGEBAUER. Mr. Chairman, I move to strike the last word.

Certainly the distinguished chairman would want to make sure that anybody that got any of the funds from this housing fund would want to make sure that they are United States citizens. We would never want to deprive a United States citizen the ability to get homeownership at the expense of someone who is here in this country illegally.

And someone was talking about this as being an immigration bill. Immigration is about a legal process. We are talking about someone who has committed an illegal process.

Mr. Chairman, I yield to the gentleman from Georgia (Mr. PRICE).

Mr. FRANK of Massachusetts. Will the gentleman yield for 30 seconds?

Mr. PRICE of Georgia. I thank the gentleman for yielding.

Mr. Chairman, I appreciate the concerns that have been voiced from the other side, but in fact, they are not legitimate concerns. We've heard a lot about the REAL ID Act. We're not debating the REAL ID Act. What we are debating is the requirement of specific pieces of identification in order to be eligible for these loans.

As the gentleman from New Mexico stated over and over, the Social Security card with photo identification works, a driver's license works, a passport works, U.S. Citizenship and Immigration Services works. So we are not debating the REAL ID Act.

We've heard from a couple of gentlemen on the other side of the aisle that this has already been adopted in the amendment that was accepted by the gentleman from Arkansas. And although we appreciate the magnanimous nature of the chairman, in fact, this is a significantly different amendment because it provides specificity to the documents that would be required.

If the chairman truly believes that the director or a regulatory body makes certain that individuals are here legally, then I would suggest that the gentleman look at the issue of the ability to gain access to credit from illegals in many areas across this Nation with banks that are indeed regulated. And they are regulated with the same kind of language that says that you ought not provide credit to individuals who are here illegally.

So I would urge my colleagues to appreciate and understand that greater clarification, greater specificity in the documents that ought to be required should be accepted. I think it's a commonsense amendment. I appreciate my colleagues for supporting it.

Mr. FRANK of Massachusetts. Will the gentleman from Texas yield to me?

Mr. NEUGEBAUER. I yield 30 seconds to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Yes, I do agree that it should only be—the gentleman didn't mean citizens, because it means citizens or lawful immigrants. Yes, I agree. That is why I supported the amendment from the gentleman from Arkansas.

I would say the other language that the gentleman from Georgia was talking about does not have this direction. It directs the director to require sufficient evidence that they are lawfully present in the United States. Yes, I do think some flexibility is there.

And while the gentleman from Georgia wants to back away from the REAL ID Act, if you vote for his amendment, you are once again reaffirming the REAL ID Act and saying only drivers licenses from those States are good, and it specifically gives very great prominence to the REAL ID Act, as opposed to telling the director, with some flexibility as things change, to accomplish the same goal.

Mr. NEUGEBAUER. Reclaiming my time, I yield to my good friend from New Mexico (Mr. PEARCE).

Mr. PEARCE. I thank the gentleman for yielding.

We are not trying to engage the REAL ID Act at all, what we are trying to engage is a situation that exists right here in Arlington County, Virginia, the immigration status of applicants for local housing subsidies is not checked. Illegal immigrants are allowed to receive taxpayer-funded rent assistance. That is the thing that we are trying to address.

Also, the chairman says that somehow these firms are not the same as other firms that get profits. The truth is that they were commissioned as government-sponsored enterprises, but then the government sponsorship was pulled away. They are simply for-profit businesses. The government does not anymore, and if the gentleman from Texas will yield, are you saying that the government still backs up, with full faith and credit of the United States Government, to the transactions of these——

Mr. FRANK of Massachusetts. Will the gentleman yield?

Mr. NEUGEBAUER. I will yield to the gentleman.

Mr. FRANK of Massachusetts. No. I did not say that, never have. But I have said that there are a number of links, and everybody except the gentleman from New Mexico, apparently agrees that government-sponsored, enterprises, we do many things to them that we wouldn't do to a purely private corporation. They have a line of credit, they have a supervisory board. There is no OFEHO for private corporations. So, no; we treat them very differently, because they continue to be linked to the government, than other corporations in a variety of ways, including giving them housing goals, having OFEHO set up, giving them a line of credit and doing other things. They are subject to many more restrictions than a purely private corporation.

Mr. NEUGEBAUER. Reclaiming my time, I yield again to the gentleman from New Mexico.

Mr. PEARCE. I would point out that one similarity, that we are willing to treat them similar with for-profit businesses is reach down and extract profits away from them in the way that we're going to do under the Hard Rock Mining Act, and the way we are going to do under H.R. 6. And then these three assistances, and I suspect more instances than this, we are actually fulfilling a promise of the left to take the profits of large companies and spend it. And that to me is an abomination in this free enterprise society.

The Acting CHAIRMAN (Mr. WEINER). The question is on the amendment offered by the gentleman from Georgia (Mr. PRICE).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. PRICE of Georgia. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Georgia will be postponed.

AMENDMENT NO. 10 OFFERED BY MR. SESSIONS

Mr. SESSIONS. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 10 offered by Mr. SESSIONS:

Page 100, after line 17, insert the following new section:

SEC. 136. COST INCREASE DISCLOSURE REQUIREMENTS FOR MORTGAGES OF REGULATED ENTITIES.

(a) IN GENERAL.—Subpart A of part 2 of subtitle A of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4541 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

''SEC. 1330. COST INCREASE DISCLOSURE REQUIREMENTS FOR MORTGAGES OF REGULATED ENTITIES.

''(a) LIMITATION.—The Director shall by regulation establish standards, and shall enforce compliance with such standards, that—

''(1) prohibit the enterprises from the purchase, service, holding, selling, lending on the security of, or otherwise dealing with any mortgage on a one- to four-family residence that does not meet the requirements under subsection (b); and

''(2) prohibit the Federal home loan banks from providing any advances to a member for use in financing, and from accepting as collateral for any advance to a member, any mortgage on a one- to four-family residence that does not meet the requirements under subsection (b).

''(b) DISCLOSURE REQUIREMENTS.—The requirements under this subsection with respect to a mortgage are that, before or at settlement on the mortgage, the mortgagor

is provided a written disclosure in such form as the Director shall require, clearly stating the dollar amount by which the requirements on the enterprises to make allocations under section 1337(b) to the affordable housing fund established under section 1337(a), if borne by mortgagors on a pro rata basis, could have increased the amount to be paid under the mortgage by the mortgagor over the entire term of the mortgage (in comparison with such amount paid absent such requirements), as determined in accordance with the determination of the Director pursuant to section 1337(o) for the applicable year.''.

(b) FANNIE MAE.—Section 304 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1719) is amended by adding at the end the following new subsection:

''(g) PROHIBITION REGARDING DISCLOSURE REQUIREMENT.—Nothing in this Act may be construed to authorize the corporation to purchase, service, hold, sell, lend on the security of, or otherwise deal with any mortgage that the corporation is prohibited from so dealing with under the standards issued under section 1330 of the Housing and Community Development Act of 1992 by the Director of the Federal Housing Finance Agency.''.

(c) FREDDIE MAC.—Section 305 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454) is amended by adding at the end the following new subsection:

''(d) PROHIBITION REGARDING DISCLOSURE REQUIREMENTS.—Nothing in this Act may be construed to authorize the Corporation to purchase, service, hold, sell, lend on the security of, or otherwise deal with any mortgage that the Corporation is prohibited from so dealing with under the standards issued under section 1330 of the Housing and Community Development Act of 1992 by the Director of the Federal Housing Finance Agency.''.

(d) FEDERAL HOME LOAN BANKS.—Section 10(a) of the Federal Home Loan Bank Act (12 U.S.C. 1430(a)) is amended—

(1) by redesignating paragraph (6) as paragraph (7); and

(2) by inserting after paragraph (5) the following new paragraph:

''(6) PROHIBITION REGARDING DISCLOSURE REQUIREMENTS.—Nothing in this Act may be construed to authorize a Federal Home Loan Bank to provide any advance to a member for use in financing, or accept as collateral for an advance under this section, any mortgage that a Bank is prohibited from so accepting under the standards issued under section 1330 of the Housing and Community Development Act of 1992 by the Director of the Federal Housing Finance Agency.''.

Page 144, after line 19, insert the following:

''(8) USE OF AMOUNTS FOR COSTS OF REQUIRED MORTGAGE DISCLOSURES.—Of the amount allocated pursuant to subsection (b) in each year to the affordable housing fund, the Director shall set aside the amount necessary to cover any costs to lenders, mortgagees, and other entities of making disclosures required under section 1330, and shall use such amounts to reimburse lenders, mortgagees, and other entities for such costs. The Director shall by regulation provide for lenders, mortgagees, and other entities to apply for such reimbursements and to identify such costs.''.

Page 153, after line 14, insert the following:

''(o) DETERMINATION OF COST INCREASES.—For each year referred to in section 1337(b)(1), the Director shall make a determination, taking into account the results of the study conducted pursuant to section 139(d) of the Federal Housing Finance Reform Act of 2007, if available, and the amount of allocations made under section subsection (b) of this section to the affordable housing fund established under subsection (a), of the amount by which the requirements on the enterprises to make such allocations have increased the amount to be paid by mortgagors under mortgages for one-to four-family residences over the entire terms of such mortgages in comparison with such amount to be paid absent such requirements, expressed as an increased cost per $1,000 financed under a mortgage. The Director shall make such determination for each such year publicly available and shall provide for dissemination of such determination to lenders, mortgagees, and other entities incurring costs of making disclosures required under section 1330.''.

Page 153, line 15, strike ''(o)'' and insert ''(p)''.

Mr. SESSIONS. Mr. Chairman, my amendment will provide useful information to middle-class home buyers about the real cost of the $2.5 billion stealth tax included in this legislation, and how it will affect these consumers' wallets.

The amendment requires that the director of the Federal Housing Finance Agency will determine how much the new tax created by this housing fund will increase total costs for home buyers whose mortgages are purchased by housing GSEs.

This information would then be disclosed to the home buyer at or before closing for these mortgages to qualify for future GSE purchase. To ensure that it does not create a costly regulatory burden for mortgage originators, the amendment also provides that additional costs created by this new disclosure requirement would be paid for by the Housing Fund.

I believe that if we are going to pass a new stealth $2.5 billion tax on the middle class to pay for affordable housing, then Congress should, at the very least, be up front about the true cost of this fund with those who are being asked to foot the bill.

My amendment simply provides for transparencies for consumers about the true cost of this new government mandate. I would encourage all my colleagues from both sides of the aisle to support it.

Mr. Chairman, a consistent fact about the free market is that new taxes to build big government programs are always passed on to the consumer. The Housing Fund created by this legislation raids the portfolios of the GSEs for funding. And the GSEs in turn, you guessed it, have to pass the increased costs associated with compliance with this new Federal mandate along to the middle-class home buyers in the conforming loan bracket.

I think it is bad public policy to tie the fate of families that need housing support to the success or failure of Fannie Mae and Freddie Mac's portfolios, as this Housing Fund does. I think that it is bad policy to discourage middle-class home buyers from achieving their American Dream of homeownership by creating a new $2.5 billion stealth tax.

But I think it is absolutely awful public policy to pass this stealth tax and not let consumers know how their pockets are being picked to fund this new big government program brought to us as the courtesy of the Democrat majority in Congress.

I encourage all my Members to support this amendment to provide transparency and funding for the Housing Fund.

Mr. WATT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the amendment.

I have been reading the amendment. And the first part of the amendment really does exactly what the bill does, it tells the director to set up some guidelines, and that is what the director is authorized to do under this bill. So that's not troublesome.

But then you get to page 2 of the amendment, and then you have the requirement that there be a settlement procedure which is duplicative of the settlement procedure that already exists under law. You have the Home Mortgage Disclosure Act already in place. There is going to be a separate set of disclosures now related to this. And then the gentleman has the nerve to say that we are creating a bureaucracy and adding costs to the closing process.

□ 2230

I, for the life of me, can't understand why this would be a good idea.

The first part of the amendment is fine, because that is what the bill is all about. But it is already in the bill. Why would you have two disclosures, two sets of disclosures? We have had hearing after hearing after hearing about how to simplify the disclosure process at closings. Mr. MCHENRY from my own State offered an amendment to the bill in committee that tried to put forth a one-page disclosure statement, and here we are now with you all telling us we ought to have a second set of disclosures at a closing under this trust fund. It is inconsistent, and it is obvious what this is about, is to throw every stumbling block in the way that you can to discourage the trust fund.

We had an amendment earlier that was defeated in the last series of votes. Mr. BACHUS offered the amendment, the ranking member of the full committee, that would have stripped the trust fund out of the bill. You lost that amendment. You lost that amendment. To go every other conceivable way to try to do identically what the overwhelming majority of this House has already said it is not willing to do seems to me to be counterproductive.

Let me just address one other issue. Mr. PRICE from Georgia raised this earlier. We have to at some point say, look, we have had more open rules out of committee under Chairman FRANK's chairmanship this year than all of the last 8 years in this House, and at some point the notion that we can continue to bring bills to the floor under open rules when we have 15 different amendments that essentially say the same thing over and over again, and then

have one of your Members get up and say, well, because one of your Members was not allowed to amend his faulty amendment it is not an open rule, it is insulting to the Chair of this committee and it is insulting to this institution.

So this is yet another example to do what was failed to be done in the ranking member's amendment, and I ask my colleagues to defeat it once again.

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN. The Chair would remind all Members to address their remarks to the Chair.

Mr. NEUGEBAUER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to my good friend from Texas (Mr. SESSIONS).

Mr. SESSIONS. Mr. Chairman, I thank the gentleman for yielding, and I do thank the gentleman from North Carolina. So that he is aware, this is unlike any of the other amendments.

This is very straightforward. It offers an opportunity for consumers to see straight up exactly what those costs are that are being passed to them. There is no duplication. There is nothing about this amendment or about the reporting process that would be duplicative. It would be straightforward, and it would be full transparency.

As I recall it, just a few weeks ago the new Democrat majority was intensely interested in making sure that every single person who was a shareholder would have transparency and understanding about the compensation of executives, in the best interests of shareholders.

Now, here we are talking about middle class home buyers who are attempting to understand, to know what costs they are to pay for, whether there is a FedEx package, if there is a notary charge. We are trying to make sure that this money, which would add up to be about $2.5 billion over a short period of time that would be passed to them, they would simply have a statement of exactly what that charge was for.

I think this is good government. I think it is transparency. I do not find any way that it is duplicative. I do not find where there is necessarily additional work. It would be paid for by the fund. The fund that we are saying tonight we are supportive of would simply need to make sure that it becomes transparent to those people who will be paying the money.

I think if you checked out of any restaurant, if you checked out of any store, that you would want to know what you paid for. There would be a line item for it. That is what we are asking for. This is really not very confusing. It makes the bill a little bit better.

It provides transparency. In my opinion, that is still what Congress, both sides, Republicans and Democrats, should strive for, if middle class taxpayers are having to pay for it. I think it makes sense.

Mr. SCOTT of Georgia. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to talk about this amendment very, very briefly, but just prior to getting to that, I wanted to make a very, very important point about the previous amendment, because I think it is very, very important for the record to reflect, for there was denial about the REAL ID Act and its implications on the gentleman from Georgia's amendment.

It is very important that I read the language in the bill, in the amendment, that the gentleman from Georgia had previous to this.

It says on page 2, starting at line 3, that a driver's license or identification card issued by a State, a State that is in compliance with title II of the REAL ID Act of 2005, title II of division B of Public Law 109–13; 49 USC 30301 note.

That is the language that is in the bill. The REAL ID is in the bill. Now, it is there. This is the amendment. This is what we are voting for. The REAL ID is in the language.

Now I want to spend the remainder of my time on the gentleman from Texas' amendment. Let us talk about your amendment, the gentleman from Texas, Mr. SESSIONS.

That disclosure that you are requiring, you must admit first of all it is a highly speculative cost. Number two, it does not provide a benefit to consumers. It will add another disclosure to an already cumbersome settlement process, further confusing the homeowners and the home buyers. Again, these are basically poor people who we are trying to help who have been victims of a hurricane. We are also going to, in the process after that first year, apply it to States so that they can apply their own criterion.

But, Mr. SESSIONS, where your amendment really causes a problem is in the broader community of the housing financial market. For example, your amendment would also make it difficult for a Federal Home Loan Bank, for example, to make advances or loans to a community bank member based on a blanket lien on the bank's overall mortgage portfolio, thus raising mortgage costs. These community banks depend on these advances to provide home buyers with competitive credit.

So, again, in each of the previous amendments, I cannot understand for the life of me why the Republicans want to so overreach to basically undermine the entire housing financial market just to get at this one small effort to help low income people get relief and get some assistance in becoming homeowners, in the rental capacity as well as the construction of new homes.

Mr. PRICE of Georgia. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I appreciate the comments of my good friend and colleague from Georgia about the previous amendment. I wasn't interested in revisiting it, but I was compelled to do so because of the obfuscation that I believe occurred.

The amendment, my amendment, states on line 9, page 1, that the personal identification shall be one of the following forms. ''One of the following forms.''

The first item is Social Security card. The second item is in fact a driver's license with a State complying with REAL ID. And then there is an ''or'' between the two. An ''or'' means one of them. Not all of them. Not always in compliance with REAL ID.

Then it goes on to have the two small ii's on page 2, line 9, where it says a passport.

Then there is even a third way that you can do it. Line 12, page 2, United States Citizenship and Immigration Services Documentation.

Lo and behold, it is just one of those, Mr. Chairman. It is not all of them.

So I would suggest that my good friend from Georgia be complete in his characterization of my amendment.

Mr. Chairman, I am pleased to yield to my good friend from Texas (Mr. SESSIONS).

Mr. SESSIONS. Mr. Chairman, I thank the gentleman.

In reply to the gentleman from Georgia, this amendment does not require originators to provide this disclosure to home buyers. It simply says that the disclosure must be given if the originator wants the mortgage to qualify for the purchase by the GSEs.

This is not the first time that Congress has asked that mortgage originators provide blanket disclosures to home buyers, regardless of whether or not the disclosure applies to their specific mortgage. The Cranston-Gonzalez National Affordable Housing Act mandated disclosure to consumers about the mere likelihood that a mortgage's servicing rights would be transferred without regard to whether any specific mortgage servicing rights would actually be transferred. The gentleman, Mr. FRANK, was an original cosponsor of the bill in the 101st Congress, and voted in favor of it on August 1, 1990.

Mr. Chairman, I will insert into the RECORD an example of the precedent for this nonspecific mandated mortgage disclosure requirement supported by our chairman, Chairman FRANK.

RESPA SERVICING DISCLOSURE

Lender: Indiana Members Credit Union, 4790 East 96th Street, Ste. 120, Indianapolis, IN 46240, Notice to first lien mortgage loan applicants: the right to collect your mortgage loan payments may be transferred. Federal law gives you certain related rights. If your loan is made, save this statement with your loan documents. Sign the acknowledgment at the end of this statement only if you understand its contents.

Because you are applying for a mortgage loan covered by the Real Estate Settlement Procedures Act (RESPA)(12 U.S.C. Section 2601 et seq.) you have certain rights under the Federal law. This statement tells you about those rights. It also tells you what the chances are that the servicing for this loan may be transferred to a different loan servicer. ''Servicing'' refers to collecting your principal, interest and escrow account payments, if any. If your loan servicer changes, there are certain procedures that

must be followed. This statement generally explains those procedures.

TRANSFER PRACTICES AND REQUIREMENTS

If the servicing of your loan is assigned, sold, or transferred to a new servicer, you must be given written notice of that transfer. The present loan servicer must send you notice in writing of the assignment, sale or transfer of the servicing not less than 15 days before the effective date of the transfer. The new loans servicer must also send you notice within 15 days after the effective date of the transfer. The present servicer and the new servicer may combine this information in one notice, so long as the notice is sent to you 15 days before the effective date of transfer. The 15-day period is not applicable if a notice of prospective transfer is provided to you at settlement. The law allows a delay in the time (not more than 30 days after a transfer) for servicers to notify you, upon the occurrence of certain business emergencies. Notices must contain certain information. They must contain the effective date of the transfer of the servicing of your loan to the new servicer, and the name, address, and toll-free or collect call telephone number of the new servicer, and toll-free or collect call telephone numbers of a person or department for both your present servicer and your new servicer to answer your questions. During the 60-day period following the effective date of the transfer of the loan servicing, a loan payment received by your old servicer before its due date may not be treated by the new loan servicer as late, and a late fee may not be imposed on you.

COMPLAINT RESOLUTION

Section 6 of RESPA (12 U.S.C. Section 2605) gives you certain consumer rights, whether or not your loan servicing is transferred. If you send a ''qualified written request'' to your servicer, your servicer must provide you with a written acknowledgment with 20 Business Days of receipt of your request. A ''qualified written request'' is a written correspondence, other than notice on a payment coupon or other payment medium supplied by the servicer which includes your name and account number, and the information regarding your request. Not later than 60 Business Days after receiving your request, your servicer must make any appropriate corrections to your account, or must provide you with a written clarification regarding any dispute. During this 60 Business Day period, your servicer may not provide information to a consumer-reporting agency concerning any overdue payment related to such period or qualified written request. A Business Day is any day in which the offices of the business entity are open to the public for carrying on substantially all of its business functions.

DAMAGES AND COSTS

Section 6 of RESPA also provides for damages and costs for individuals or classes of individuals in circumstances where servicers are shown to have violated the requirements of that Section.

SERVICING TRANSFER ESTIMATES

1. The following is the best estimate of what will happen to the servicing of your mortgage loan:

We may assign, sell or transfer the servicing of your loan while the loan is outstanding. We are able to service your loan and we will not have not decided whether to service your loan. or

We do not service mortgage loans, and we have not serviced mortgage loans in the past three years.

We presently intend to assign, sell or transfer the servicing of your mortgage loan. You will be informed about your servicer.

We assign, sell or transfer the servicing of some of our loans while the loan is outstanding depending on the type of loan and other factors. For the program you have applied for, we expect to:

Sell all of the mortgage servicing retain all the mortgage servicing assign, sell or transfer ___% of the mortgage servicing.

2. For all the first lien mortgage loans that we make in the 12-month period after your mortgage loan is funded, we estimate that the percentage of mortgage loans for which we will transfer servicing is between: to 25% (or None) 26 to 50% 0 51 to 75% 0 76 to 100% (or ALL)

This estimate does not include assignments, sales or transfers to affiliates or subsidiaries. This is only our best estimate and it is not binding. Business conditions or other circumstances may affect our future transferring.

3. We have previously assigned, sold or transferred the servicing of first lien mortgage loans. or

This is our record of transferring the servicing of the first lien mortgage loans we have made in the past:

Year percentage of loans transferred (Rounded to the nearest quartile—0%, 25%, 50%, 75%, or 100%).

2003: 50%;

2004: 50%; and

2005: 25%.

This information does not include assignments, sales or transfers to affiliates or subsidiaries.

Date:_____

Present Servicer or Lender: Indiana Members Credit Union.

ACKNOWLEDGMENT OF MORTGAGE LOAN APPLICANT

I/We have read this disclosure form and understand its contents, as evidenced by my/our signature(s) below.

I/We understand that this acknowledgment is a required part of the mortgage loan application.

_____ Applicant _____ Date

_____ Applicant _____ Date

Mr. Chairman, it is clear to me that what we are talking about here is that our friends on the other side simply don't want people to know who is footing or paying the bill. It is so important to get this money to poor people that middle class taxpayers can't be told the truth. It is that simple.

It is not duplicative. It is not anything that requires a great calculation. There would simply be one line that says for every $1,000 of your loan, it is estimated that you are paying X amount. It would be aggregate totals. It would be something that could be calculated very quickly. It is not by a loan, a particular loan; it is by an aggregate total. It could be done. It would be disclosure. It would be the right thing to do.

Mr. Chairman, I think if anybody is confused by this, they simply do not want consumers to know the truth about who is making laws, who is making people pay extra money, where the money comes from and how much money they would be expected to pay themselves. I find that blatantly anti-American not to be open about who is doing what and how much the cost might be.

□ 2245

Americans are entitled to know these sorts of things as consumers. As consumers, they are entitled to know. That is what this amendment is about. If you don't want to be for it, I encourage you to vote ''no.'' But people who are for full disclosure and who want to let the middle class know what they are paying for, who are equally entitled to the American dream, are entitled to know under this amendment.

Mr. PRICE of Georgia. I thank the gentleman for his amendment and appreciate his leadership on this issue, and I appreciate his leadership in defending the hardworking American taxpayer.

Mr. FRANK of Massachusetts. Mr. Chairman, I move of to strike the last word.

I have heard the pejorative ''anti-American'' used in some ludicrous contexts, and I think I have seen now the champion application of that inappropriately.

If you are not for a complicated amendment, adding some language to a disclosure that is somewhat controversial, you are anti-American. I hope the debate bounces up from here.

I would then also say to the gentleman from Georgia, my colleague from Georgia quite correctly pointed out that his amendment would call on people to reaffirm the value of the REAL ID Act. And it is true that the REAL ID Act is only one of four things, but some Americans don't have passports. In fact, the majority of American citizens don't have passports.

A Social Security card with a photo ID issued by the Federal Government, some people don't have that.

And a certificate from the Department of Homeland Security Immigration, if you are a regular American citizen, you don't have that. So of the things people would have of those four, that would be the most common. We don't prescribe it in the amendment adopted by the gentleman from Arkansas. We leave it up to the director because things may change. Things may evolve. There may be new documents. Prescribing this now for 4 and 5 years from now seems to be an error. But it is true, the gentleman from Georgia does give Members a chance to vote once again in favor of the REAL ID Act, as a major, not as an exclusive, but a major premise here.

As to the gentleman from Texas' amendment, I note that he makes a point of saying that the cost of the disclosure will be paid for by the housing fund. He also believes that the housing fund comes at the cost of the mortgage borrowers. I don't understand why with this great flourish he says, hey, we'll make the housing fund pay for this because by his reasoning, that is an additional amount for the mortgage borrowers.

If the existence of the housing fund costs them money, adding to the housing fund simply would add to their costs.

My objection to it is this. It is a complicated, additional calculation of a sum that is de minimus. Even if all of

the cost of the housing fund went to individual mortgages, we are talking about a very small, 1.2 basis points of the portfolio. In fact, I believe most of it won't come from the mortgage holder, it will come from the shareholders. It is a complicated calculation. People will differ about how to make it.

So this notion that if it is going to be a real calculation, and if it is just plucked out of the air it is some pro rata thing and it doesn't mean anything, but to impose additional bureaucracy for a cost that is de minimus is a mistake.

That is why my friend from North Carolina said this is part of the ''we don't like the housing trust fund.''

And by the way, when the gentleman said a housing trust fund created by the Democrats, we were being given too much credit; 43 Republicans joined us in voting against the amendment of the gentleman from Alabama to kill the housing trust fund. So it wasn't just Democrats; 43 Republicans is a pretty significant chunk. It was somewhat bipartisan.

But the point is only if you believe the housing trust fund is going to be some significant cost does it make sense to go through all of this trouble to add this line.

We who believe it is will be de minimus in terms of how it affects each mortgagor, think it will probably cost them more to do this calculation and charge them for it than they would otherwise have to pay.

I yield to the gentleman from Texas (Mr. SESSIONS).

Mr. SESSIONS. I thank the gentleman. The gentleman wants to argue that shareholders should pay for this. Yet just a couple of weeks ago we were arguing on this floor about who should pay to know about executive compensation. We definitely understood it shouldn't be shareholders there. But tonight it is okay.

Mr. FRANK of Massachusetts. Reclaiming my time, reclaiming my time, first of all, to say that is the most baffling thing I have ever had said. It is going to take me a while to figure out what it could possibly mean, if anything.

But secondly, with regard to executive compensation, of course the shareholders would bear the cost if there was one. Our point there was since the SEC has mandated the disclosure and mandated the disclosure be printed in the proxy, there will be no cost to voting on it.

Mr. PEARCE. Mr. Chairman, I move to strike the last word.

I yield to the gentleman from Texas (Mr. SESSIONS).

Mr. SESSIONS. I thank the gentleman for yielding.

You know, we are once again arguing what, first, is a ''de minimus'' amount of money. Then it turns out to be a lot of money. And now we understand it is really not that much money at all that these consumers are having to pay.

But somebody has to pay the $2.5 billion, and that is a new tax. And it is in this legislation. This money is just not going to come out of anywhere. We do expect if there is going to be money that is going to be owed by somebody, that they ought to know where it comes from. It just doesn't come from home buyers. It will come from Fannie Mae and Freddie Mac shareholders. And excluding them from the decisionmaking process seems like a significant backward step for shareholder rights. But just a few weeks ago the chairman brought legislation to the floor that would mandate a new, nonbinding shareholder vote on executive compensation.

I think that shareholders and Fannie Mae and Freddie Mac, if they are, in fact, the ones to foot the bill for this new fund, at least deserve a little bit of participation. They ought to understand it and know.

I ask the chairman in the name of shareholder rights and shareholder participation to include the language during any conference negotiations, and to make sure he does the same thing thereto.

The bottom line is that shareholders or middle class home buyers all deserve a right to know how much they are being charged. It is a simple request. The gentleman almost got it right. I think it is an American thing that consumers ought to know what they are paying for, and it is unAmerican not to know what you are paying for.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. SESSIONS).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. SESSIONS. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Texas will be postponed.

AMENDMENT NO. 34 OFFERED BY MR. BRADY OF TEXAS

Mr. BRADY of Texas. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 34 offered by Mr. BRADY of Texas:

Page 130, line 8, strike ''75 percent'' and insert ''70 percent''.

Page 130, line 11, strike ''25 percent'' and insert ''20 percent''.

Page 130, after line 11, insert the following:

''(iii) The allocation percentage for the Texas Department of Housing and Community Affairs shall be 10 percent.''.

Page 130, line 19, after ''in connection with'' insert the following: ''(i) in the case of the grantees specified in clauses (i) and (ii) of subparagraph (A),''.

Page 130, line 20, before the period insert '', and (ii) in the case of the grantee specified in clause (iii) of subparagraph (A), Hurricane Rita of 2005''.

Page 149, line 16, strike ''and'' and insert a comma.

Page 149, line 17, before the semicolon insert the following: '', and the Texas Department of Housing and Community Affairs''.

Mr. BRADY of Texas. Mr. Chairman, we have had a lot of debate tonight about the need for the affordable housing fund. This amendment relates to what I hope will be the fairness of the affordable housing fund. Right now in the first year the allocation for the affordable housing fund is restricted to Hurricanes Rita and Katrina, but only in Louisiana and Mississippi.

This is Hurricane Rita, the fourth largest hurricane in the gulf coast history. It was actually larger than Hurricane Katrina. On the Texas side, the area that I represent, as you can see here, we had 70,000 homes damaged or destroyed. That is 70,000 homes damaged or destroyed by Hurricane Rita.

Today, 18 months after that hurricane, what no one in America knows is that 10 percent of those who fled Hurricane Rita have yet to return to southeast Texas. Ten percent have not come home because they have no home in southeast Texas.

What this amendment does is provides a fair treatment for Texas communities devastated by Hurricane Rita. It takes the principle, same hurricane, same devastation, we should have same treat.

Under this amendment, Louisiana and Mississippi would still receive the bulk of the allocation at 70 percent and 20 percent, and Texas would be eligible for 10 percent. My preference would be to not take a dime from Louisiana and Mississippi. I understand how devastated those communities are. But I have seen the devastation in our southeast Texas communities. Our roofs are torn off and our homes are destroyed. Our people can't come back to their communities because there is no housing. And these counties are predominantly Democratic, poor, with heavy African American populations. Ironically, these were the same counties across the Louisiana line who were the very first to open their homes and shelters and churches to those fleeing Hurricane Katrina. Yet today, they can't rebuild their own homes, they can't return to their own communities because this is often called ''the forgotten hurricane.''

What I am hopeful is that the current allocation is an oversight. And the fact of the matter is that the national media moved over so quickly over Hurricane Rita that not many people understand just how badly the communities were devastated.

I am hopeful that the majority will agree with me that we don't divide a hurricane along State lines and don't provide different treatment for the same hurricane for the same communities. Where we don't have homeowners in Orange whose homes have been destroyed with no help, but their cousin down the road in Lake Charles gets the help they deserve. That is not what this government is about.

Mr. Chairman, I urge support for my amendment. We ought not have two classes of citizens in America: Those who have help from hurricanes and

those who are left stranded. I think this Congress is better than that.

Mr. JEFFERSON. Mr. Chairman, I move to strike the last word.

I appreciate the arguments that are being made. I thank the people of Texas and Georgia and of Tennessee and all over the country who have taken in our residents who have had to flee in the face of a devastating storm.

Louisiana lost 225,000 housing units. The bulk were homeowner units, and the rest were rental properties. The city was 80 percent underwater and severely devastated.

Louisiana suffered 75 percent of the gulf coast housing damage, and that is why the number is as it is. It wasn't pulled out of the air. They tried to apply some remedy here. Initially when the money was first allocated, Louisiana, although it suffered 75 percent of the housing damage, and overall, about 80 percent of the damage of the storm, it nonetheless got some number around 50 percent of the allocation.

This is an effort to correct what was not done properly in the first place, and try to line it up with the damage in Louisiana.

Mississippi had some number in the 20s with respect to their losses. So it is an attempt to line it up with the damage there.

I can tell you we are looking to get, in the case of folks who are in the east part of Texas, we hope that we are making arrangements to get a whole lot of those folks back home and out of Texas. This is about rebuilding. It is not really about housing people.

I heard some arguments early on about how many folks are still in Houston. There are about 30,000 people in Houston from my home area, and there are a number of people in San Antonio and Dallas, also. There are also people in Atlanta and Memphis, as I have said. We want to get all of these folks back home. We still have 225,000 of our citizens not back in town. It is a great tragedy that has occurred there.

You might remember, a great part of what happened to us in Louisiana, at least, maybe less so in Mississippi, is not really because of the hurricane itself, it was because of the failure of the Federal levees that drowned our city. The design was poor. Construction was inadequate, and the maintenance was not good. As a consequence, the levees broke and it drowned our city.

We believe there is not just a legal responsibility, but a moral responsibility to fix the problem because the Federal Government broke it and we think it ought to fix it.

So we have a devastated area. Half of our city's tax base is back. Half our schools and hospitals are closed. Our housing isn't there, and our people need a lot of help. The money so far hasn't done it, and we want to get more to apply to the problem. That is all we are saying.

That is why the committee has gone to great pains to try to make this allocation. I know there is pain in some other places, but we have to apply the limited resources we have to take care of the place that is the most devastated, and that is clearly in Louisiana and Mississippi.

I would urge the House to reject this amendment. I do understand there is a need to help in other places, but I hope we find a way to do it in some other bill and some other time, but not here and not now and not in this particular place.

Mr. NEUGEBAUER. Mr. Chairman, I move to strike the last word, and I yield to the gentleman from Texas (Mr. BRADY).

Mr. BRADY of Texas. Mr. Chairman, I appreciate the arguments that my friend from Louisiana has made, but I think it is important to understand that you can't tell someone in one State, your home is destroyed, your roof has been torn off, a tree has gone through it; but you are in this State, so we will help you. The exact same hurricane and the exact same devastation, forget it, take a hike. You deserve no help from us.

□ 2300

I don't think any citizen in America who has seen their home destroyed ought to have to compete against someone else in another State to get Federal help. I mean, aren't we supposed to be treating our citizens equally?

And when you have a hurricane that's devastated both sides of the State line, why are we dividing that hurricane along the State line? Mother Nature can't do it, and Congress shouldn't either.

We should help those people, regardless. One hurricane, same treatment, same devastation. I think we have a moral responsibility to help people who no longer can return to their homes, whether it is in New Orleans or whether it is in Orange, Texas. We have the exact same moral responsibility to help, and I cannot see how we, as a government, can justify different treatments, treating one group as second-class citizens when they've done nothing but suffer devastating damage and open their own homes and hearts and churches to help others. It is wrong.

Let's not divide this hurricane along State lines. Let's help these folks.

Mr. NEUGEBAUER. Mr. Chairman, I reclaim my time and I ask the gentleman so I make sure I understand your amendment here, but currently the allocation is 75 percent for Louisiana and 25 percent for Mississippi. And all the gentleman is asking here is that Texas get 10 percent of this housing fund, 5 percent taken from Louisiana and 5 percent from Mississippi. So you're requesting 10 percent for the people of Texas that suffered the same devastation and loss as the people in Louisiana and Mississippi; is that correct?

I yield to the gentleman.

Mr. BRADY of Texas. It is a negligible change for our friends in Louisiana and Mississippi. It is a huge help for the people in southeast and east Texas who have no homes.

Mr. NEUGEBAUER. I thank the gentleman, and I, like the gentleman, encourage this is a fair amendment. We have passed out a tremendous amount of resources for Mississippi and Louisiana.

I've been to the gentleman from Louisiana's and to the gentleman from Mississippi's district. I have seen the recovery efforts down there, obviously a lot of devastation in those States, and a rebuilding program is going on. Quite honestly, I have to compliment the gentleman from Mississippi. They are doing a much better job of moving forward with their rebuilding program.

But one of the things that we need to understand is these natural disasters affect all Americans, and that when we begin to ask this Congress to pass out resources to help people in America rebuild their lives, that we don't do it along State lines.

And I agree with the gentleman, and I encourage everyone to support the gentleman's amendment. I think it is a very fair amendment.

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN (Mr. WEINER). The gentleman will remove the visual aid while he is not under recognition.

Mr. TAYLOR. Mr. Speaker, I move to strike the last word.

Mr. Speaker, the events of the fall of 2005 were horrible to a large portion of the gulf coast. I understand the gentleman's concern. I would have appreciated if he'd have voted against the Bachus amendment, which would have struck all of this money, but you voted for it.

But one thing I wanted to point out is the somewhat arbitrary nature of his amendment. There's no real good way to judge who lost a house. One of the things we can look at, though, is those who asked for the help which was offered by our President which was delivered by FEMA.

They said if your house is uninhabitable or if it's gone, we'll make a trailer available for every four inhabitants. In Louisiana today, based on FEMA's numbers, there's still 49,000 FEMA trailers being occupied. In my home State, there are 24,500 FEMA trailers still being occupied. In the gentleman's State, there's 1,700 FEMA trailers being occupied.

What I have a problem with is arbitrarily taking a substantial amount of money from a State like Mississippi, that had substantially, according to this, more people lose their homes and just giving it to Texas.

Now, if the gentleman is now for the bill, that's wonderful. If the gentleman would ask the chairman to include the word ''Texas'' so that when this goes to conference hopefully with the other body, in the time between now and then we can find some fair way to adjudicate those claims, I think that would be wonderful.

But what I object to is literally picking a number out of the sky in a State that's got less than 1/10th of the people living in those trailers tonight, as my State, and asking for half the money that my State is getting.

I have been for this proposal. I have sat on this floor for this proposal. The gentleman has objected to this proposal.

So, again, if the gentleman wants to make the request of the chairman that somehow the words Louisiana, Texas, Alabama and Mississippi are included in there, and that between now and conference we find a fair way to distribute these funds, I'm with you. But to just pick a number out of the sky and say just because we're from Texas and we've got a huge delegation, we think we ought to get half as much money as Mississippi, even though 1/10th of the people that are in trailers in Mississippi are in trailers in Texas, I just can't buy that. That's not responsible.

Mr. PRICE of Georgia. Mr. Chairman, I move to strike the last word, and I'm pleased to yield to my good friend from Texas.

Mr. BRADY of Texas. I appreciate the gentleman from Georgia giving me a few minutes.

I don't know anyone who would support a housing fund that turns its back on your citizens who were devastated by the fourth largest hurricane in gulf coast history. I also don't understand a Congress that has citizens compete against each other who have both lost their homes, who aren't just living in trailers.

My people, maybe we have 1,700 living in trailers, but we have another 10 percent who don't live in trailers who can't even come back to the communities that they used to live in, can't even come back. They're not living in trailers. They've moved away. They can't come back because there is no housing.

Their only fault apparently is that they were on the wrong side of the State line for the exact same hurricane, and it seems to me I would prefer not to pick a 70 percent, a 20 percent, a 10 percent figure. I wish there were a better way to do it.

But I do know this. We ought not pit families against each other for competing for dollars that they all need and provide one on one State line all the help they can get and another, we just turn their back.

I know how much this has harmed Louisiana, Mississippi and Alabama. There's no question about the need there. What I'm saying, there is an equal need for each family in southeast Texas who are poor, who are predominantly Democratic counties, heavily African American communities, the ones who rely and need this housing. I just think this body ought to look at all of them equally to provide that help if we can do it.

Perhaps this body will turn its back on these people. Well, I will tell you what, when it came to Hurricane Katrina, they didn't turn their back on the evacuees from New Orleans. One little town of 500 took in 500 evacuees on the very first night, doubled their whole population just to help. We had folks in Orange who stayed up for 72 hours straight helping people from New Orleans on buses who had lost everything and lost families. These are the same people we're turning our backs on tonight.

I don't know what the allocation is, Mr. Chairman, a fair one is. I honestly don't. I do know that we ought to provide equal help and equal hope to these communities devastated by the exact same hurricane.

Mr. WATT. Mr. Chairman, will the gentleman yield?

Mr. PRICE of Georgia. I yield to the gentleman from North Carolina.

Mr. WATT. Mr. Chairman, I would like to ask the gentleman a question. Did the gentleman vote for the Bachus amendment that would have not provided any assistance to any of these people? Didn't the gentleman vote for that amendment?

Mr. PRICE of Georgia. Reclaiming my time, I'd be glad to yield to the gentleman from Texas.

Mr. BRADY of Texas. If the question is did I vote for a housing fund that would turn its back on my communities, well, no, I did not vote for that housing fund.

Mr. WATT. Will the gentleman yield once again?

Mr. PRICE of Georgia. Be pleased to.

Mr. WATT. Is the gentleman saying that his community is just Texas? He's not worried about Mississippi or Louisiana, in the general context—

Mr. PRICE of Georgia. Reclaiming my time, I'd be glad to yield to the gentleman from Texas.

Mr. BRADY of Texas. I don't know anyone in this body who intentionally turns their back on any communities. I do know that my district is Texas, but with redistricting I never know what State I may end up in.

But as of this moment, I know my communities well and I think, just as Mr. JEFFERSON, just as Gene and others know their communities and how much heartache they've gone through, I feel strongly that this body ought to try to help equally communities devastated by the exact same hurricane.

Our policy ought to be no second-class citizens in recovery and hurricane relief. Treat them equally for the same hurricane.

Mr. PRICE of Georgia. Mr. Chairman, I commend the gentleman for his amendment and urge my colleagues to adopt it.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the requisite number of words.

My problem with the answer the gentleman from Texas gave my friend from North Carolina is he voted for the amendment from the gentleman from Alabama to kill this fund before he knew whether his amendment would be accepted or not.

The gentleman says he doesn't know anybody in this body who would turn his back on communities. He has a far more limited circle of acquaintances than I would have thought for someone who had been here this long.

The fact, though, is that the amendment from the gentleman from Alabama would have, if it passed, killed the fund. The gentleman from Texas voted for it. Had he been successful in that vote, there would be no fund for him now to ask for.

Now, I thought my friend from Mississippi who has been an eloquent and passionate defender of the interests of all the people in the gulf made a very good point. As I said to the gentleman from Houston, Mr. GREEN, yes, I think we should look at the needs of Texas. We did some in the hurricane bill in terms of vouchers.

I'm prepared, if this bill gets to conference, to accommodate. We may have underestimated the physical destruction in parts of Texas. I don't think we should now pick a number, but no one had approached me. Mr. GREEN from Texas had approached me, and I said I would work with him. I would be glad to work on it.

I do think when the gentleman says we couldn't expect him to vote for a housing fund that ignored his community, he voted to abolish that fund before he knew what would happen to his amendment. Maybe he just thought the die was cast, but I'm perfectly prepared to work on this.

I hope the amendment is defeated. I don't expect the gentleman to withdraw it, and I would be glad to then look at the arguments about how much destruction there was in Texas, and I would undertake to find some way to try to help in Texas. Of course, the gentleman will probably vote against the whole bill, and if he succeeds, I won't be able to help him, but you can't help everybody all the time. All you can do is offer.

So I hope that we do get a bill through, that it has the housing fund. I hope this amendment is defeated, but I do think that when we look at the concentrated destruction in the part of Texas, something not statewide, and the reason we did Mississippi and Louisiana was we felt the destruction there was more statewide, not the whole State, but it was fairly widely distributed. It would appear there was a more narrow geographic impact in Texas, and I would think that is worth looking at.

And if the housing fund survives the four or five more Republican efforts to kill it, chop it, dice it and slice it, which are probably coming in their infinite list of amendments, and we do get it to conference, I will be glad to work with the gentleman.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. BRADY).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. BRADY of Texas. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Texas will be postponed.

AMENDMENT NO. 25 OFFERED BY MR. DOOLITTLE

Mr. DOOLITTLE. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 25 offered by Mr. DOOLITTLE:

Page 128, line 6, strike ''and''.

Page 128, line 10, strike the period and insert ''; and''.

Page 128, after line 10, insert the following:

''(6) to increase the investment in public infrastructure activities in counties determined to be economically disadvantaged by virtue of receiving payments under the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 500 note).''.

Page 140, line 3, strike ''and''.

Page 140, line 6, strike the period and insert ''; and''.

Page 140, after line 6, insert the following:

''(4) public infrastructure activities, including activities to benefit the public safety, law enforcement, public education, and public lands, carried out only in counties which are determined to be economically disadvantaged by virtue of receiving payments under the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 500 note).''.

Page 140, line 22, strike ''or''.

Page 140, line 25, after the semicolon insert ''or''.

Page 140, after line 25, insert the following:

''(E) in the case of an eligible activity under subsection (g)(4), administer such activities in counties described in such subsection, except that this subparagraph shall apply only to government agencies;''.

Page 144, after line 19, insert the following:

''(8) REQUIRED AMOUNT FOR CERTAIN PUBLIC INFRASTRUCTURE ACTIVITIES.—In the case of any grantee that is a State in which are located counties determined to be economically disadvantaged by virtue of receiving payments under the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 500 note), all of the affordable housing fund grant amounts provided for each year other than 2007 to such grantee shall be used for activities under paragraph (4) of subsection (g).''.

Mr. FRANK of Massachusetts. Mr. Chairman, I reserve a point of order.

The Acting CHAIRMAN. The gentleman from Massachusetts reserves a point of order.

Mr. DOOLITTLE. Mr. Chairman, in 1908 in response to the mounting opposition to the creation of forest reserves in the West, Congress passed a bill which created a revenue sharing mechanism to offset for counties the effects of removing those lands from economic development.

The 1908 act specified that 25 percent of all revenues generated from the national forests would be shared with the counties where those revenues were generated to support public roads and public schools. From 1986 to the present, these payments, because of the decline in timber sales, have decreased precipitously.

Responding to this urgent need, in 2000, the Congress passed the Secure Rural Schools and Community Self-Determination Act to compensate for the loss in revenue for these counties, providing the necessary funds for schools, roads and public lands.

This funding benefited 4,400 school districts in 615 counties throughout 37 States.

In September of 2006, this authorization expired, and in December the last payments were made. While several attempts have been made to reauthorize this legislation, none has succeeded to this point, and as a result, our counties are left without the funds that they were promised and they depend upon to provide public infrastructure activities to maintain their roads and send their children to school.

□ 2315

The results have been devastating. In California's Fourth Congressional District, let me just talk about three instances. In Plumas County, where 70 percent of the land is owned by the Federal Government, layoff notices went to 55 teachers and its school districts, and the county is compensating for this by increasing class sizes, closing all school libraries, closing cafeterias and possibly even closing entire schools.

In Sierra County, which is 75 percent opened by the Federal Government, the county is planning to lay off almost 40 percent of its entire education staff, and the superintendent spoke to me about the potential of shutting down one entire school district and being forced to bus children across State lines into the adjoining State of Nevada to receive a public education.

Finally, in Modoc County, which is 75 percent owned by the Federal Government, they will layoff one-third of its entire roads department and over 12 percent of its teachers.

These hardships are not unique and have spread to other States. You will hear in a minute from Mr. WALDEN of Oregon. Before the government makes any new promise for funding, it should make good on the obligation it already made to the 615 counties across the country which are now struggling to deal with a lack of funding for basic infrastructure needs.

Mr. FRANK of Massachusetts. Will the gentleman yield?

Mr. DOOLITTLE. Well, I would like to yield to Mr. WALDEN.

Mr. FRANK of Massachusetts. I will cede to Mr. WALDEN. If only the gentleman will yield to somebody.

Mr. DOOLITTLE. I yield to Mr. WALDEN.

Mr. WALDEN of Oregon. I thank the chairman. I want to thank the gentleman from California for bringing this amendment. This is the newspaper from the largest county in my district. This is the April 7 edition. All 15 branches of the library system in Jackson County closed the day before because the Congress did not keep its commitment dating back 100 years.

Yesterday afternoon, after the local counties tried to pass resolutions to fund these services, make up for the lost Federal funding that has been there for 100 years, the county workers in virtually every county, I will pick on Josephine right here, got together to get their pink slips. The county workers, dedicated public servants, laid off their jobs; 28 juvenile justice employees in Josephine County, gone; 11 in the District Attorney's Office, gone; half the sheriff's office, gone. There will be no sheriff's patrols, period, end of discussion.

You all are familiar with the case of the Kim family that was lost, devastatingly so in the Federal forest of Oregon last winter, and Mr. Kim died. This is the county. This is the county where these sheriffs' deputies and others tried to find and rescue them. Because the government isn't keeping its commitment, no sheriff's patrol, period; 1642 square miles will have no sheriff's patrol. Sheriff Gilbertson is beside himself. He has to meet the State mandates to keep the jail open, but they are going to end up going from 140 beds to 30 beds.

Senator WYDEN and I were at the White House today passionately making our case to the President to help us on this. This Congress needs to help us on this. We are extraordinarily frustrated, as you can tell, by Mr. DOOLITTLE and others, that even though I supported this housing trust fund, if we've got money we ought to take care of these commitments first so the Federal Government keeps its word, so we can reopen libraries so we can have search and rescue and sheriffs' deputies out on patrol, not only in my counties, but out in the west.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the last word.

POINT OF ORDER

Mr. FRANK of Massachusetts. Mr. Chairman, I am going to insist on my point of order.

I am moved, and I mean this, by the eloquence of these arguments for adequately funded public service. I hope all Members will listen to this.

But unfortunately, this is beyond the scope of this bill, which is housing related. I, therefore, must insist on the point of order, not out of lack of sympathy for my two colleagues, but because if we open the floodgates, we would get swamped. So I do insist on the point of order. It is not germane.

The Acting CHAIRMAN. Will the gentleman state the point of order.

Mr. FRANK of Massachusetts. Yes, the point of order. This is beyond the scope of this bill.

The Acting CHAIRMAN. Does the gentleman wish to be heard on the point of order.

Mr. DOOLITTLE. Mr. Chairman, the underlying bill makes numerous references to public infrastructure. We feel this, indeed, is public infrastructure, and that it deals with roads and schools. There are certainly needy

counties by virtue of being included in this Secure Rural Schools Act. That's why we thought the amendment would be germane.

Mr. FRANK of Massachusetts. Mr. Chairman, if I might say in response, it is all within the context of housing. This is a very narrowly specifically defined housing bill.

The Acting CHAIRMAN. Does the gentleman of Massachusetts make a point of order that the amendment is not germane?

Mr. FRANK of Massachusetts. Yes.

The Acting CHAIRMAN. Without further discussion, the Chair is prepared to rule.

The amendment offered by the gentleman from California provides funding for various infrastructure projects, including law enforcement and public education.

The bill is confined to housing and housing-related matters. Clause 7 of rule XVI precludes amendments on a subject different from that under consideration.

In the opinion of the Chair, the infrastructure projects addressed in the amendment represent a subject matter different from that under consideration. As such, the amendment is not germane.

The point of order is sustained.

AMENDMENT NO. 32 OFFERED BY MR. HENSARLING

Mr. HENSARLING. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 32 offered by Mr. HENSARLING:

Strike line 23 on page 85 and all that follows through line 15 on page 86.

Strike line 19 on page 87 and all that follows through line 10 on page 88.

Strike line 12 on page 90 and all that follows through line 9 on page 93.

Mr. HENSARLING. Mr. Chairman, the purpose of this amendment is quite simple, and that is to keep the status quo with respect to the conforming loan limits. The underlying bill would raise it to 150 percent in what are known as certain high-cost areas. I think there are several reasons, Mr. Chairman, why I think the underlying bill contains misguided policy.

Number 1, when you look at why were the GSEs chartered in the first place, they receive a panoply of Federal benefits that we are all familiar with. But supposedly, they received these benefits from the Federal Government for a specific purpose, to support the purchases of mortgages made to low- and moderate-income families, mortgages on properties located in underserved areas, mortgages made to very low-income families and low-income families in low-income areas.

I do not believe that the charter was to help subsidize housing by the government for the wealthiest in our society. That's not why they were chartered. The Conforming Loan Limit right now, I believe, is already too high. To qualify for the $417,000 mortgage right now, a family would have to earn at least $130,000, more than twice the median family income in this country, not by the standards of the Nation, a low or moderate income.

But in the House bill to increase the conforming loan limit by 50 percent to $625,000 in any area where the average home price is over the limit, to qualify for that mortgage, a family's income on an 80/20 LTV would have to be $180,000, almost three times the national median, and that ranks at roughly the top 5 percent of all family incomes in America.

According to OFHEO, the regulator, of the GSEs, using data supplied by the National Association of Realtors in 2007, there were only seven areas that would be affected by this, and that would be comprised of areas in about eight or nine different States, which means that 40 to 42 other States would gain nothing by this and arguably might lose something.

The other argument that I would pose is that after all the behavior of the GSEs, all of the misrepresentations to the public, misrepresentations to investors, misrepresentations to Congress, billions and billions of dollars of accounting misstatements, earnings being manipulated so that executives could receive bonuses, what does Congress do? We reward them. We expand their market share. We give them an opportunity to make even greater profits.

I mean, it leads one to believe that if Enron had been clever enough to change their name to the Enron Housing Corp. we might have done something to still keep them in business. We are expanding their market share.

Another point to make is that, and I will grant that any time you have a Federal subsidy, certainly you can lower the price, but the arguments that somehow people can't get in a home without increasing the loan limits to 150 percent, I don't understand.

The industry experts have estimated the rate on the spread on the rate to be about 20 basis points, and a current 30-year rate fixed mortgage, that amounts to about $80-a-month difference we are talking about. At least under one scenario, CRS, we are looking at about $28 a month. I am having a hard time believing that knowing how competitive the marketplace is, in almost all communities in the jumbo market area, that this is somehow preventing people from getting into a home.

Now, some will speak to a disparity, and I agree. There is the disparity, but I don't think raising the conforming loan limits to 150 percent in only a limited number of areas in the Nation is the solution to that particular challenge.

So I have great reservations about expanding the conforming loan limits. But having said that, given the lateness of the hour, given the outcome of this particular amendment in committee, I do think these were important points to be made.

But at this point, Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The Acting CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

Mr. GARY G. MILLER of California. Mr. Chairman, I move to strike the last word.

I thank Mr. HENSARLING for withdrawing the amendment, but I think it's only fair to place on the RECORD the other side of the argument. To assume there's only seven areas that benefit from this is a wrong assumption.

If you look at the current law, Guam, the Virgin Islands, Alaska and Hawaii all benefit from 150 percent of the amount conforming allows in the rest of this country. All we are saying in our high-cost area is saying aren't we as good as Alaska, Hawaii, Guam, and the Virgin Islands.

I have been working on this thing for 3 years, I asked that this be put in the bill. I didn't say let's do it like Alaska, Guam, the Virgin Islands and Hawaii. Let's not make it statewide. Let's go specifically to a region. You could have a situation where Brea, in Orange County, could qualify for $625,000; yet Pomona, within 8 miles, might only need $400,000. But it's easy to extract something from a bill that has no impact on you at all.

For example, the Dallas region that the gentleman represents, the median home price is $146,400. Yet, you can borrow $417,000 through a GSE, three times the amount of the median.

Yet, in Maxine Waters' district, which is four times the median, which is no fault of any of ours, it just happens to be $565,000, she can only borrow $418,000. In my part of Orange County, it's $695,000. I can only borrow $418,600. So we are saying if it is fair for other parts of the country, why isn't it far for all of the country.

Now had the gentleman had introduced an amendment that said, well, we think we should have fairness throughout the country, and let's limit it to the median as my amendment did, in this bill that got enacted in the bill so far, that says you can have it conforming, but it cannot exceed median. Well, the gentleman, I am sure, would have a very difficult time going home and telling his people that now they can only borrow $146,400 from Freddie and Fannie because that is the median we are willing to apply to the rest of our districts.

Now the argument was made in the past that while the people in these high-cost areas make more money, the median income in Dallas, Texas is $65,500; the median income L.A. County is $61,300. They make $400,000 or more a year in his district, that has a median income, median home price of $146,000. Yet in Maxine's and part of my area of L.A. county, people have to pay $565,000 for a median income home, and yet they make $4,000 less.

So, yes, in many cases it's easy to present something to a body and make a very good statement that you are concerned about the quality of a GSE. But let me state, based on the requirements and the restrictions placed upon the GSEs, these loans are very safe.

□ 2330

AMENDMENT NO. 33 OFFERED BY MR. GARY G. MILLER OF CALIFORNIA

Mr. GARY G. MILLER of California. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 33 offered by Mr. GARY G. MILLER of California:

Page 86, strike '', except that'' in line 9 and all that follows through ''corporation'' in lines 14 and 15.

Page 88, strike '', except that'' in line 4 and all that follows through ''Corporation'' in line 10.

Strike line 12 on page 90 and all that follows through line 9 on page 93.

Mr. GARY G. MILLER of California. Mr. Chairman, I rise to offer an amendment to strike the requirement that high-cost area loans be securitized. And what we have done in this bill is we have said that, in these high-cost areas, to eliminate concerns by many, we are willing to say that the GSE must securitize those loans in high-cost areas; so, therefore, they cannot keep those loans. Those loans have to be transferred to the bond market. And there is no concern nor could there ever be any risk to the GSE, because those loans are not being kept by the GSE.

Now, understand clearly that when a loan is made in Alaska, Hawaii, Guam and the Virgin Islands, they are not securitized, and it has not proven to be a risk or a problem so far at all. And if you look at the problems in the real estate market today, they are not in the conforming market at all; they are not even in the high-cost areas that complies with. They are in areas that are not available, such as the jumbo loan market in California and other areas.

I am going to withdraw this amendment, but I am making a statement that it is not fair that we try to provide fairness throughout this country, and yet in doing that we are creating a situation that is less fair to those high-cost areas than it is to the rest of the Nation. It is only fair that borrowers in high-cost areas should be able to get a loan through a GSE, that that loan be kept by a GSE, thereby reducing the cost to the person getting the loan. And the statement that there is only a statement of $25, in a high-cost area this saves a buyer $175 a month in payment or a loan through a GSE.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. GARY G. MILLER of California. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. I thank the gentleman, and he and I have been working together on a lot of this. I am glad he is going to withdraw it and we won't be proceeding further, but I would note that a number of recent developments in the mortgage field have made it clear that securitization is not the absolute unmixed blessing that people once thought it was. There are advantages to portfolio and there are some disadvantages. There are obviously advantages in terms of liquidity being created through securitization, but there are some problems. So I thank the gentleman for raising this issue, and it is one we will continue to work.

Mr. GARY G. MILLER of California. And I think there is more reason to eliminate securitization than there ever was to place it there in the first place. But, irrespective of that, I withdraw my amendment.

The SPEAKER pro tempore. Without objection, the amendment is withdrawn.

There was no objection.

AMENDMENT NO. 9 OFFERED BY MR. PRICE OF GEORGIA

Mr. PRICE of Georgia. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 9 offered by Mr. PRICE of Georgia:

Strike line 21 on page 128 and all that follows through line 7 on page 129, and insert the following:

''(2) REQUIREMENTS FOR CONTRIBUTIONS.—

''(A) TIMING.—An enterprise shall not be required to make an allocation for a year pursuant to paragraph (1) unless the Director, pursuant to the study under paragraph (2) for such year, makes a determination that such allocation by the enterprise for the year—

''(i) will not contribute to the financial instability of the enterprise or impair the safe and sound operation of the enterprise;

''(ii) will not cause the enterprise to be classified as undercapitalized;

''(iii) will not prevent the enterprise from successfully completing a capital restoration plan under section 1369C; and

''(iv) will not result in increased costs to borrowers under residential mortgages.

''(B) STUDY.—The Director shall, for each year referred to in paragraph (1)—

''(i) conduct a study to determine the effects on each enterprise of making allocations in such year under such paragraph; and

''(ii) submit to the Congress a report containing the findings of such study and the determinations of the Secretary regarding the issues set forth in clauses (i) through (iv) of subparagraph (A).''.

Mr. PRICE of Georgia. Mr. Chairman, I offer this amendment which I believe enhances the oversight of the Director over the payments into the Affordable Housing Fund.

The underlying legislation takes the responsible step of providing criteria that the Director of the new regulatory agency should use to suspend contributions to the Affordable Housing Fund created by this bill, and that is a responsible step. However, I and others are concerned that this language doesn't go far enough to ensure the GSE safety and soundness, which indeed is the intent of this important legislation that we are dealing with today.

In the underlying legislation, if the Director finds that contributing to the Affordable Housing Fund would contribute to the instability of the GSE, would cause the GSE to become undercapitalized, or would prevent the GSE from successfully completing a capital restoration plan, then payments to the Housing Fund would be suspending.

I have three specific concerns.

First, nowhere in this language does this legislation provide an explicit requirement for the Director to actively seek out this information and to report on his or her findings.

Second, the language in this section doesn't explicitly list the safe and sound operation of the GSE as one of the factors that the Director should consider.

And, third, the Director does not consider the extent to which these payments into the Housing Trust Fund will result in an increase in costs to the borrowers under residential mortgages.

This amendment very simply would require the Director to study the additional factors that I just mentioned, safety and soundness, and increased costs to the borrowers. Along with those factors already in the text of the underlying bill, and to certify to Congress that they won't be adversely affected before the GSE makes a payment into the Housing Fund, it is imperative that we make certain that all of the hard work that went into creating this new world-class regulator in the underlying legislation isn't undone because of the mandatory payments the GSE will have to make into the Affordable Housing Fund. And we can do that by requiring the Director to look at all of these safety and soundness issues that might be affected, and to provide a responsible signoff requirement before payments are made into the Housing Fund.

I think this greatly improves the accountability and the success and the appropriateness of this bill, and I urge my colleagues to adopt the amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is another version of the effort to kill the fund. It is very similar to amendments we have had before. I will ask Members to draw on their memories. I think at this point they would try to remember than stay up an extra 10 minutes listening to the debate very similar to what they have had before.

It is subject to the frailty which the gentleman from North Carolina (Mr. WATT) pointed out before, since we have had a similar amendment before; namely, that it would give to the Director the right to cancel this. It doesn't ask just for information from

the Director for us to take into account when we do this after the sunset; it empowers the Director to end it.

And it also says: Will not result in increased costs to borrowers on their residential mortgages.

There may be a de minimis cost increase. The way this is worded, a director would have to find that there would be no cost increase at all, not 10 cents, not $1 a mortgage.

I do not think it is intended mainly to deal with the soundness of the enterprise; I think it is dealing, once again, with an effort to try to kill the fund, which we have had five or six votes on already and a couple of more pending amendments.

The other factors, other than it might raise the cost of the mortgage, are already in the text of the bill and they are already factors that the Director is required to study.

So since we have talked about this before, I do not think at this hour anybody is going to bring any new knowledge.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. PRICE).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. PRICE of Georgia. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Georgia will be postponed.

AMENDMENT NO. 19 OFFERED BY MR. DOOLITTLE

Mr. DOOLITTLE. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 19 offered by Mr. DOOLITTLE:

Page 100, after line 17, insert the following new section:

SEC. 136. MORTGAGOR IDENTIFICATION REQUIREMENTS FOR MORTGAGES OF REGULATED ENTITIES.

(a) IN GENERAL.—Subpart A of part 2 of subtitle A of title XIII of the Housing and Community Development Act of 1992 (12 U.S.C. 4541 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

''SEC. 1330. MORTGAGOR IDENTIFICATION REQUIREMENTS FOR MORTGAGES OF REGULATED ENTITIES.

''(a) LIMITATION.—The Director shall by regulation establish standards, and shall enforce compliance with such standards, that—

''(1) prohibit the enterprises from the purchase, service, holding, selling, lending on the security of, or otherwise dealing with any mortgage on a one- to four-family residence that will be used as the principal residence of the mortgagor that does not meet the requirements under subsection (b); and

''(2) prohibit the Federal home loan banks from providing any advances to a member for use in financing, and from accepting as collateral for any advance to a member, any mortgage on a one- to four-family residence that will be used as the principal residence of the mortgagor that does not meet the requirements under subsection (b).

''(b) IDENTIFICATION REQUIREMENTS.—The requirements under this subsection with respect to a mortgage are that the mortgagor have, at the time of settlement on the mortgage, a Social Security account number.''.

(b) FANNIE MAE.—Section 304 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1719) is amended by adding at the end the following new subsection:

''(g) PROHIBITION REGARDING MORTGAGOR IDENTIFICATION REQUIREMENT.—Nothing in this Act may be construed to authorize the corporation to purchase, service, hold, sell, lend on the security of, or otherwise deal with any mortgage that the corporation is prohibited from so dealing with under the standards issued under section 1330 of the Housing and Community Development Act of 1992 by the Director of the Federal Housing Finance Agency.''.

(c) FREDDIE MAC.—Section 305 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454) is amended by adding at the end the following new subsection:

''(d) PROHIBITION REGARDING MORTGAGOR IDENTIFICATION REQUIREMENTS.—Nothing in this Act may be construed to authorize the Corporation to purchase, service, hold, sell, lend on the security of, or otherwise deal with any mortgage that the Corporation is prohibited from so dealing with under the standards issued under section 1330 of the Housing and Community Development Act of 1992 by the Director of the Federal Housing Finance Agency.''.

(d) FEDERAL HOME LOAN BANKS.—Section 10(a) of the Federal Home Loan Bank Act (12 U.S.C. 1430(a)) is amended—

(1) by redesignating paragraph (6) as paragraph (7); and

(2) by inserting after paragraph (5) the following new paragraph:

''(6) PROHIBITION REGARDING MORTGAGOR IDENTIFICATION REQUIREMENTS.—Nothing in this Act may be construed to authorize a Federal Home Loan Bank to provide any advance to a member for use in financing, or accept as collateral for an advance under this section, any mortgage that a Bank is prohibited from so accepting under the standards issued under section 1330 of the Housing and Community Development Act of 1992 by the Director of the Federal Housing Finance Agency.''.

Mr. DOOLITTLE. Mr. Chairman, this amendment will prevent the government-sponsored enterprises, or GSEs, from purchasing any mortgage from a lender where the person who received the mortgage did not use a valid Social Security number.

In my State of California, it has been calculated that each legal resident in the State pays approximately $1,200 every year for illegal immigrants to use taxpayer-funded resources, including our highways, hospitals, and schools. Reducing the opportunities for illegal immigrants to purchase primary residences in the United States will be an important step toward decreasing the burden illegal immigrants impose upon our society.

Fannie Mae and Freddie Mac support the residential mortgage market by purchasing mortgages from lenders that, in turn, use the proceeds to make more loans available to home buyers. These organizations, chartered by Congress, should not be in the business of assisting illegal immigrants to purchase homes.

The size of the GSE's portfolios represents a concentration of mortgage market risks, and this has been observed before, that led former Federal Reserve Board Chairman Alan Greenspan and others to urge Congress to consider ways to shrink the size of the GSE's asset portfolios.

What better way to reduce the size of these portfolios than to prohibit mortgages for illegal immigrants. Not only will this change decrease the market risk, but it will also eliminate one more incentive that draws illegal immigrants to our country.

When a person applies for a mortgage, he is asked whether the loan is for a primary residence, a secondary home, or an investment property. According to my amendment, only a person seeking to buy a primary residence would be required to have a Social Security number. Therefore, this amendment does not discourage foreign investment in the United States. Should a foreign investor wish to obtain a mortgage for a real estate investment, he would be able to do so. However, no person illegally in this country should be allowed to purchase a primary residence here.

Since all people who are legally allowed to work in the United States are able to receive a work authorized Social Security number, this bill only targets those that are here illegally. Lending institutions should not be allowed to reward individuals violating U.S. law. Please vote ''yes'' on this amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the requisite number of words.

And I do want to congratulate the gentleman from California for a very nonduplicative amendment. It is an amendment that is different from all the other amendments, and I am glad to see it. I almost feel like it was Passover; we finally have an amendment that is different from all the other amendments.

The question I have for the gentleman that was raised here, and he may have explained it as I was going over this. He did submit it in a timely fashion, so we should have checked it earlier. What about a foreign visitor who is in the country legally, say on a student visa. Would you be able to purchase a home on this?

I would yield to the gentleman.

Mr. DOOLITTLE. Yes. I did indicate that this only applies to a primary residence. A foreign investor could indicate that——

Mr. FRANK of Massachusetts. Not an investor, but someone who is here under a student visa that might not have a Social Security number, is not working, is here under a student visa and maybe can't work. Could that individual buy a home?

Mr. DOOLITTLE. You would have to be entitled to have a Social Security number, which, as I understand it, would be someone who is employed here.

Mr. FRANK of Massachusetts. But we do have people here, for instance, who are here as students. There are wealthy people who come here to study. In fact, if you find someone paying full tuition in a college, she is probably from another country. And if that parent wanted to buy a home for that student, I don't believe they would have to get a Social Security number; I believe under a student visa you might not be able to work.

Mr. DOOLITTLE. A parent wouldn't need the Social Security number.

Mr. FRANK of Massachusetts. I understand that. But does every student here under student visa have to get a Social Security number? I am told in some cases under a student visa you can't work. If you are here as a student with wealthy parents, the parents want to buy you a home, you might not have a Social Security number and this would keep you from buying a home.

Mr. DOOLITTLE. Well, if the parents want to buy you a home, it would be their investment.

Mr. FRANK of Massachusetts. No, excuse me. The gentleman first said it wasn't the parents. The parents live in another country. The student is here under a student visa, not working, for a 4-year course of study. Could the parents from another country buy that student a home under this bill if the student didn't have a Social Security number?

Mr. DOOLITTLE. As I understand it, Mr. Chairman, the answer to that would be yes.

Mr. FRANK of Massachusetts. How could they if the students don't have a Social Security number, how could you buy them a home?

Mr. DOOLITTLE. Well, because the owner of the home is the parents.

Mr. FRANK of Massachusetts. No. The gentleman is obfuscating now. The parents live in another country. The parents give the student the money so that the student can buy the home. What about a student lawfully in the U.S., under a student visa, whose parents in another country want to finance the purchase of that home? The student doesn't have a Social Security number, maybe under the visa can't work. I think that is the case. The student wouldn't be able to buy a home.

And I do agree that we should tighten up the rules on people here illegally, but as I read this I think it may sweep too far, impose too broad a mandate on Fannie and Freddie over things they can't control. And there may be other categories, but somebody here under a student visa whose family lives in another country, is prepared to finance the purchase of a home, it would appear to me that would make that impossible.

I yield to the gentleman.

Mr. DOOLITTLE. It is true the student himself wouldn't be able to purchase the home. But the parents——

Mr. FRANK of Massachusetts. Again, the gentleman is simply misrepresenting the question. The parents live in another country. People in Saudi Arabia don't have to have Social Security numbers. So the parents are in another country; the student is here without a Social Security number. How does the student buy the home?

Mr. DOOLITTLE. Mr. Chairman, I thought I made clear, the bill allows for foreign investment in the country. The student, under the provisions of this amendment, himself would not be able to buy the home if he were a student not able to work, therefore not having a Social Security.

Mr. FRANK of Massachusetts. The gentleman's interpretation in foreign investment is the parents buy the home for the student. Well, if the student had enough money on his or her own, then the student couldn't buy it.

Mr. DOOLITTLE. Then the student couldn't buy it.

Mr. FRANK of Massachusetts. Well, I don't understand why we would say that. There might be students who have the money to buy it. And this fiction that students who buy a home, parents who buy a home for their own child to live in are foreign investors seems to me to import a fiction to get around an excessively rigid bill. And there may be other categories of people who are lawfully in this country who don't have Social Security numbers and could have the money to buy a home, and I am unpersuaded that we should prohibit that.

Mr. SCOTT of Georgia. Mr. Chairman, I move to strike the last word.

Are you saying that this amendment would prevent home buyers without Social Security numbers from obtaining home loans? Is that correct?

Mr. DOOLITTLE. That is correct.

Mr. SCOTT of Georgia. Is it Social Security number, or valid Social Security number?

Mr. DOOLITTLE. Well, obviously the intent is valid Social Security numbers.

Mr. SCOTT of Georgia. But you don't have valid Social Security number in here. And my point is this: That one of the problems we have got in immigration is there are many illegals, if you are getting at illegal immigrants, who have Social Security numbers. We would place on these this system, much like it is in the employer system, where employers will come and tell you that all of our employees are legal because they have Social Security numbers.

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But I will also tell you, there is a burgeoning industry within the illegal immigration area of falsified Social Security numbers. That's a big deal. So I think that this raises a very serious problem within your amendment, because if you simply say Social Security Number, you're not really getting at the problem that you feel you're getting at.

Mr. FRANK of Massachusetts. Will the gentleman yield?

Mr. SCOTT of Georgia. Yes, I yield to the chairman.

Mr. FRANK of Massachusetts. We might be able to work this out. I am really concerned about the students and others. I am prepared to say that I would be willing to see that this bill is in conference. The gentleman obviously can press ahead. I going to vote against it at this point because it does seem to me that there are categories of people who can lawfully be in the country who have money who could buy a house, and I don't think we want to stop it.

There will be some enforcement issues that we could work out, but I would hope we could more clearly define it; that is, I do think it's important that we say that this be confined to people who are illegally here. But relying on the Social Security number as the exclusive validator of someone's legal presence in the U.S. seems to me not good policy.

Mr. SCOTT of Georgia. Reclaiming my time, again, that does create a problem with your amendment. And further, another problem it creates is because under current requirements, lenders may use any legitimate form of identification, so it would compound the difficulty, because it would make it difficult, again, for community banks to use blanket liens to pledge collateral, raising costs. The point I'm trying to get at is while the intention is good, I think that when you look at all of the problems with immigration, when you look at the problem of the fact of the cottage industry of providing bogus Social Security numbers, unless you put into this feature some mechanism to check to make sure that the Social Security number is valid, then the amendment seems to be moot.

The Acting CHAIRMAN (Mr. ALTMIRE). The question is on the amendment offered by the gentleman from California (Mr. DOOLITTLE).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. DOOLITTLE. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from California will be postponed.

SECOND AMENDMENT NO. 22 OFFERED BY MR. GARRETT OF NEW JERSEY

Mr. GARRETT of New Jersey. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Second Amendment No. 22 offered by Mr. GARRETT of New Jersey:

Page 129, after line 22, insert the following:

''(4) PROHIBITION OF PASS-THROUGH OF COST OF ALLOCATIONS.—The Director shall, by regulation, prohibit each enterprise from—

''(A) treating the costs to the enterprise of making the allocations required under paragraph (1) as a regular business expense of the enterprise; and

''(B) redirecting such costs, through increased charges or fees, or decreased premiums, or in any other manner, to the originators of mortgages purchased or securitized by the enterprise.''.

Mr. GARRETT of New Jersey. Mr. Chairman, I come to the floor at this late evening time now to offer this amendment and, in essence, what we're trying too do here is to, bottom line is to help protect middle class American home owners as we move forward with this legislation with the housing fund in it, with the world class regulator, and to protect the American taxpayer from what we heard not only on the floor tonight, but going all the way back to testimony when this bill was being first considered from Chairman Bernanke, the potential for an MTI, a mortgage tax increase.

We know how the underlying bill works. H.R. 1427 takes 1.2 basis points of the GSE's total annual business, not their profit, but the total annual business and directs those funds to help in an appropriate manner, some would say, to provide for low income housing.

What this amendment does not do, and I know we have heard from the other side every time we tried to make any improvement to this legislation, that we characterize our efforts to improve the legislation to try to kill the underlying fund in this bill. Anyone making a clear reading of this amendment would realize this amendment does not do that in any way shape or form. This does not kill the fund. It improves the fund and it does so in a manner consistent with what the chairman said he has intended for the underlying bill in the first place, and that is to say that the increased tax would not hit those who we're trying to help, the low and moderate income earners.

How does it do that? Well, if you just look to the text of the amendment, section 4, prohibits pass through of costs of allocation. The director shall by regulation prohibit such enterprises, the GSEs from treating the cost of enterprises of making allocation required under paragraph 1 as regular business expenses. In essence, what the amendment does is says it cannot pass those costs down the line to the originator and to the home owners. It has to be just where the chairman has said he intended it to be all along, on the stockholders and the investors in the GSEs.

So I would hope that this commonsense amendment which basically effectuates what the Chairman said he intended for this legislation would seek unanimous support.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the last word. The gentleman overstated what I said. I do agree as to B. I would say this, and B, I think is perfectly reasonable. I think it might be hard to administer, but I would certainly, I would want to agree to B.

I have a problem with A for this reason. We got CBO to score this. CBO scored it based on a tax reduction, and then there's a repayment in the REFCORP bonds. There's a fairly complicated proposal that we accepted from CBO to keep it revenue neutral, and it includes a tax deduction at one end, but a payment back at the other end. If the gentleman would be willing to ask unanimous consent to strike A, I would be prepared to be in favor of B. We could go back into the whole House, we could get unanimous consent. The problem is that if we strike A, I'm afraid it could unravel or scoring from CBO which assumes that they could deduct it and they would get the deduction, but CBO then said the government will lose money because you deducted it and we make up for another way with payments for the REFCORP bonds. I don't always understand what CBO says, but I can say that it's revenue neutral, recognizing the tax deduction, but making a payment that offsets that.

So if the gentleman would agree, I would certainly agree, because I think B is a reasonable effort to do this. I'm not sure how effective it will be, but I agree we should try. We are not sure about the pricing. I know procedurally we could do this, so if the gentleman would be agreeable, I would hope we could do that. If you would ask unanimous consent to modify the amendment by dropping A. If not, I will oppose this amendment, but I will move to, if I am successful in opposing it move to incorporate B when we get to conference. But I think a better way to do it would be to get unanimous consent to modify the amendment.

I will yield to the gentleman.

Mr. GARRETT of New Jersey. Thank you. Would the gentleman, by chance, have at your fingertips there the language from the CBO?

Mr. FRANK of Massachusetts. No, I do not. I can tell the gentleman that what CBO, we asked them about the scoring, they said there would be a cost because it would be a tax deduction. But they then made up for that by requiring some of the funds to go to help pay off the REFCORP bonds which are left over from the S&L bailout. And I do know that's what was done.

I yield to the gentleman.

Mr. GARRETT of New Jersey. I'm not looking for a yield. I'm looking for a moment.

Mr. FRANK of Massachusetts. I will just talk for a while, Mr. Chairman.

Mr. GARRETT of New Jersey. I'm not looking for that either. Just for a moment.

Mr. FRANK of Massachusetts. Yes, I was just going to kill time while you were looking so that, you know, we look like even though it's midnight, we're not all comatose. And as I said, alternatively, because it does cause us problems in the scoring and technical ways. It does seem to me the key is section B, and I would be agreeable to accepting section B now. Alternatively, I would hope that it would be defeated and we would put section B in conference.

I'll yield to the gentleman.

Mr. GARRETT of New Jersey. I would agree with the gentleman's comments. And we can proceed with the procedural matters.

PARLIAMENTARY INQUIRY

Mr. FRANK of Massachusetts. Parliamentary inquiry, Mr. Chairman.

The Acting CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. FRANK of Massachusetts. What steps would be needed for us to have the gentleman get unanimous consent to modify his amendment by striking section A?

The Acting CHAIRMAN. The gentleman from New Jersey could request unanimous consent to modify his amendment the way he so chooses.

MODIFICATION TO SECOND AMENDMENT NO. 22 OFFERED BY MR. GARRETT OF NEW JERSEY

Mr. GARRETT of New Jersey. Mr. Chairman, I ask unanimous consent to modify my amendment by striking lines 4 through 7, which would be paragraph A, and I guess appropriately renumbering or relettering paragraph line A, paragraph B to correspond.

Mr. FRANK of Massachusetts. If it's only one paragraph, we probably don't have to call it A. It can just be the paragraph.

Mr. GARRETT of New Jersey. That's why I say to appropriately reflect the change and deletion of that.

The Acting CHAIRMAN. The Clerk will report the modified amendment.

The Clerk read as follows:

Second amendment No. 22 offered by Mr. GARRETT of New Jersey, as modified:

Page 129, after line 22, insert the following:

''(4) PROHIBITION OF PASS-THROUGH OF COST OF ALLOCATIONS.—The Director shall, by regulation, prohibit each enterprise from—

''(A) redirecting such costs, through increased charges or fees, or decreased premiums, or in any other manner, to the originators of mortgages purchased or securitized by the enterprise.''.

The Acting CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Acting CHAIRMAN. The question is on the amendment of the gentleman from New Jersey (Mr. GARRETT), as modified.

The amendment, as modified, was agreed to.

AMENDMENT NO. 30 OFFERED BY MR. HENSARLING

Mr. HENSARLING. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 30 offered by Mr. HENSARLING:

Page 153, line 14, after the period insert close quotation marks and a period.

Strike line 15 on page 153 and all that follows through line 6 on page 154.

Mr. HENSARLING. Mr. Chairman, the first thing I'd like to do is really thank the chairman of the full committee. There are many on this side of the aisle who talk a lot about making this the most open and democratic and fair Congress. Many of their deeds do not match their words. But I want to congratulate the committee chairman for this open process this evening and

his commitment to the institution, his commitment to democracy and permitting these amendments to be offered. And although I have two remaining, Mr. Chairman, I have decided to only offer one. The amendment I offer at this moment, No. 30, achieves one very simple purpose.

I understand that our side has lost on the creation of the so-called affordable housing fund, but in the underlying legislation, there is a place holder for something called an affordable housing trust fund. And apparently, if this fund, which is rather ill-defined, is created at some later time, the bill would authorize funds to be transferred from the affordable housing fund to the housing trust fund. I've been pretty diligent in my attendance of our subcommittee and committee hearings. I don't recall a hearing on the housing trust fund. I don't remember a markup on the housing trust fund. And I don't know exactly what the housing trust fund is, but I'm nervous about it. I'm nervous about it because when I look at almost every other government trust fund, what I see is an entitlement. Entitlement spending, Mr. Chairman. And the last thing we need to do is to be authorizing spending for a yet to be created entitlement spending fund.

The number one fiscal challenge in the Nation is to reform entitlement spending. And I believe the Chairman's passion about wanting to create affordable housing. I have profound philosophical differences with our chairman, but I don't doubt his passion. I don't doubt his sincerity.

But I have my passion. I have my passion. And right now, according to the Office of Management and Budget, the Congressional Budget Office, the Federal Reserve chairman, we are on the road to bankrupt the next generation. Ask anybody who has looked at the long-term spending patterns of entitlement spending in America today and they're going to tell you, we're facing a fiscal fork in the road. In one generation, in one generation, either there will be almost no Federal Government except for Medicare, Medicaid and Social Security, there will be no HUD. None of these housing programs will exist. And the other fork in the road, Mr. Chairman, is that we're going to have to double taxes, on the next generation just to balance the budget. Don't take my word for it. Go to the Web site of OMB, GAO, CBO. They're all going to tell you the same thing.

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And yet here we are tonight deciding that we are going to transfer funds to this yet-to-be-created housing trust fund, create yet another entitlement spending.

I am a Member of Congress, but let me tell you something else. I also happen to be a father of a 5-year-old daughter and a 3-year-old son who are already looking at paying for unfunded obligations in this entitlement spending of $50 trillion and now we are going to add to it. And I have heard many speakers on this side of the aisle eloquently speak about the least of these among us. Well, I maintain the least of these among us are those who cannot vote and those who are yet to be born. So I don't particularly care to take it on trust or faith that I am not somehow enabling the next new entitlement to hopefully hasten the bankruptcy of next generation.

The Comptroller General of America has said we are on the verge of being the very first generation in America's history to leave the next generation with a lower standard of living. I myself will not sit idly by and allow that to happen.

So perhaps the chairman has a good idea of what he intends to with the housing trust fund. I do not and I will not create another entitlement program.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this is not an entitlement. It isn't close to one. It cannot get out of control. The only money that can come from this is very clearly limited to 1.2 basis points on the mortgage portfolio of Fannie Mae and Freddie Mac.

The gentleman misstates the problem of entitlements if he thinks this is a problem. An entitlement is when the Federal Government, without necessarily a funding source, says if you are X, if you have these characteristics, you are entitled to this amount of money. That is Social Security and that is Medicare. That is not this bill. This bill does not entitle anybody to an affordable housing fund. It does not say if the population grows at a certain rate, then there is the demand for spending. It defines the spending source, a nontax spending source. It says 1.2 basis points of the mortgage portfolio. It doesn't entitle anyone to housing.

Social Security and Medicare, he mentioned. Those are entitlements. That means if you are a certain age and have a certain characteristic, you are entitled to receive the funding.

No one is entitled under this bill to receive housing funding. This is an authorization of spending, but it is not an entitlement to receive it.

Secondly, there is nothing secret here. It says it will be transferred if there is enacted a provision of Federal law establishing the Affordable Housing Trust Fund. That means it only becomes operational if this Congress decides in open session, with another 47 duplicate amendments from the Republican side, to deal with it. We will have a dozen roll calls to make sure that it happens.

I should also point this out. Why do we do it this way? To make sure we meet the PAYGO issue. This bill creates a fund out of Fannie Mae and Freddie Mac profits. We have not yet got any consensus on how best to spend it after the first year when it goes to Louisiana and Mississippi. So we say to meet budgetary requirements, we don't want to be in a situation where we create a pot of money in one bill and then in the second bill decide how to spend it. This means that when we get to the collective decision in open session about how to spend it, whether it goes through the States, whether it is goes through HUD, whatever method we choose, we will not be charged with a source of funding. We will simply take the source of funding and hold it in limbo after Mississippi and Alabama and it will catch up if this Congress decides to do it with the method of distribution. That is not an entitlement. An entitlement is when you as an individual are legally entitled to receive money from the Federal Government because of your status. No one is entitled under this bill. No one gets the right to say I'm such and such, build me a house, rent me an apartment. This says a fixed sum will go at a limited rate, a percentage of the mortgage portfolio, and Congress will decide how it will be distributed.

Mr. NEUGEBAUER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to my good friend from Texas (Mr. HENSARLING).

Mr. HENSARLING. Mr. Chairman, I thank the gentleman for yielding.

And, again, I guess the chairman has a whole lot more confidence on the attributes of an ill-defined housing trust fund than I do. I have read earlier comments that the chairman has made: ''The placeholder would similarly preserve from this bill to the next bill our ability to spend money on a housing trust fund.'' And I know that the chairman, I believe in the same markup of March 28, in responding to a question: ''Would the gentleman be willing to accept an amendment that explicitly states that it would be subject to PAYGO?'' the chairman replied, ''No.''

So knowing that PAYGO, as the Democratic side has defined it, applies to new entitlement spending and to tax relief, it makes one a little bit suspicious thinking maybe there could be a new entitlement here. The housing trust fund does not appear to be defined; so maybe it is an entitlement; maybe it is not an entitlement. But if it is defined, I don't know. I just happen to be very passionate about not wanting to be part of an effort that might ultimately lead to helping create a new entitlement program and exacerbate the number one fiscal challenge in America. But I don't know how the chairman can say with such great definition if we are going to potentially create a funding stream for a housing trust fund, we don't define it, that he knows absolutely it will not or ever have the attributes of an entitlement.

I thank the gentleman for yielding.

Mr. SCOTT of Georgia. Mr. Chairman, I move to strike the last word.

I yield to the chairman of the committee.

Mr. FRANK of Massachusetts. Mr. Chairman, I very much resent the gentleman from Texas simply doubting my words so blatantly. You do not create an entitlement by accident. Secondly, of course, he misstates the word ''entitlement.'' An entitlement means that you as an individual are entitled to receive the money. That has never been contemplated here. Nothing I ever suggested says it. I repudiated the notion. The gentleman says, yeah, but who knows what he is thinking? I really do not believe the gentleman has any basis for impugning these kinds of motives to me. I am simply repeating what the gentleman said. Well, he says it is not an entitlement but how can we be sure?

Because the committee which I chair where I have talked frequently with all the members, including certainly the majority, I know what we intend. It is not to create anything remotely like an entitlement. An entitlement means that individuals will be able to say give me housing, I am entitled to it legally. What we are saying is we will set up a housing fund. We will debate how it is distributed, but it will never be close to an entitlement. No one has ever suggested that any individual would have the right to demand, as you do on Social Security and Medicare, which makes then entitlements, the funding.

I said no to PAYGO because I rejected the assumption that it was necessary. This meets PAYGO. It totally meets PAYGO. Has scored this as revenue neutral. We asked them from the standpoint of the Federal Government, and it is revenue neutral. You don't need PAYGO with something that is revenue neutral. What it says is that the Congress, not me personally or a small cabal, will decide that we are going to create an entitlement when no one is looking. It says that having reserved this money in a revenue-neutral way, we will then decide as a Congress how best to distribute it but to distribute it as a housing fund, not as an entitlement. There has never been any suggestion that it would be an entitlement. It is not remotely going to be like Social Security and Medicare, and it cannot be a runaway fund. It is limited to 1.2 basis points of the mortgage portfolio of Fannie Mae. That is an entirely different funding mechanism than an entitlement funding mechanism.

I thank the gentleman for yielding.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. HENSARLING).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. HENSARLING. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule, further proceedings on the amendment offered by the gentleman from Texas will be postponed.

AMENDMENT NO. 1 OFFERED BY MR. NEUGEBAUER

Mr. NEUGEBAUER. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. NEUGEBAUER:

Page 128, strike lines 18 through 20 and insert the following: ''amount equal to the lesser of (A) 1.2 basis points for each dollar of the average total mortgage portfolio of the enterprise during the preceding year, (B) the number of basis points for each dollar of the average total mortgage portfolio of the enterprise during the preceding year, which when applied to such average portfolios of both enterprises, results in an aggregate allocation under this paragraph by the enterprises for the year of $520,000,000, or (C) a lesser amount, as determined by the Director, if the Director determines for such year that allocation of the lesser of the amounts under subparagraphs (A) and (B) poses a safety or soundness concern to the enterprise.''.

Mr. NEUGEBAUER. Mr. Chairman, this is a pretty simple amendment. We have had a lot of debate this evening about whether to have a housing fund or not to have a housing fund, and the votes are in and we are going to have a housing fund.

One of the things that I feel very strongly about is this is a substantial amount of money to any entity. While these are large entities, $520 million, over $3 billion over a 5-year period, is a lot of money. If we are going to ask these entities to make this kind of commitment, I think we owe them some certainty here.

Now, the current formula is that we will take 1.2 basis points times the portfolio. But what I believe is fair is to set a ceiling on what that amount can be. Now, the current scoring by is that at 1.2 on the total portfolio that we would have about $520 million. What I am saying is let's cap it at $520 million.

When you start looking at an entity, you don't want them making a decision on whether to make additional loans available for people in America that need loans, affordable loans, of saying if we increase our portfolio, we are going to have to pay more money into the housing fund. So what I believe is a fair balance is saying that as they bring their portfolio up and down to meet the market demands and adjust to the market conditions that we just give them a number that they know that is not going to exceed so what when they are budgeting, making sure that they are going to have a safe and sound entity, that they know what the number is.

I am a small businessman, Mr. Chairman, and when I was sitting down every year, I made a budget for my business. And one of the things that we tried to do was to fix a lot of our costs so that we would know what our costs would be because variable costs many times are causing you not to be able to control those or they are counter to being profitable in many cases. These are entities that have provided housing opportunities for Americans for many, many years. And I was in the real estate business and the home building business in the 1980s, and I will tell you if it was not for Fannie Mae and Mae and the Federal Home Loan Bank board buying mortgages in America, many people would not have been able to buy a house during that time because a lot of the players got out of the market.

So, number one, the original purpose of this legislation was safety and soundness. That is how this debate got started. So if we are really concerned about the safety and soundness of it we have come up with a number here, and it is a big number. This is a lot of money. When I came to Washington, I was a little surprised. People use a billion around here like it is not a lot of money. But everybody in this room should understand what $1 billion is. If you and I started a business the day that Jesus Christ was born and that business lost $1 million not every week, not every year, but that business lost $1 million every day since the birth of Christ, we wouldn't have yet lost $1 billion. So we are talking about a large sum of money. That may not be large to people in Washington, but let me tell you to people in West Texas it is a lot of money.

So if we are going to ask a company to make that kind of contribution to a housing fund, I think we owe them some certainty. And I believe that $520 million a year is a certain number. It is a big number. It a accomplishes a lot of the things that the other side, I think, wants to do with this fund. So whether you agree with the fund or not agree with the fund, I don't see how you can disagree with the opportunity to come up with a fair compromise for these entities to say that we are going to cap this contribution requirement at this level.

As I mentioned, and it was somewhat turned around in our committee meeting when I offered this, when I sit down and make a commitment to a charity, they say to me sometimes we want you to make a multi-year commitment. Now, I don't always make that multi-year commitment based on whether I am going to make money that year or lose money that year. I make a commitment and I stick to it. But I always make a commitment that I think I can live up to.

So it is important for several reasons: That, number one, that we give some certainty; and, number two, that we make sure that when these contributions are asked for that the regulator is given some ability to be able to say we think in this particular year, because of the market conditions, because of the profitability of this company, that that may be less.

So I encourage Members on both sides let's give some certainty.

The Acting CHAIRMAN. The gentleman's time has expired.

□ 0015

Ms. WATERS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we have reached a very interesting point in this debate and in this discussion. It has been a long one and it has been a rather interesting one. This amendment that my friend, Mr. NEUGEBAUER, is attempting was attempted in committee and it was defeated.

I find it very interesting because we have seen all kinds of attempts here this evening by the opposite side of the aisle to deny this Housing Fund. We have seen attempts to try to diminish or cut the Housing Fund, to redefine the Housing Fund, to use it for economic development. We have seen everything. And we are at the point now that I guess if you can't stop it, somehow cap it. Cap it no matter how much money under this formula it will bring in. We are going to take an arbitrary amount at $520 million or so and just cap it, even if the actual funds under the formula exceed the estimated $600 million a year. I don't think so.

I would ask my colleagues to vote against this amendment again because it does not make good sense. This particular fund that has been developed by our chairman is one of the most creative items that have happened here in this House in a long time.

We don't have a lot of money to do some of the things we need to be doing for the domestic agenda. As a matter of fact, yes, we support PAYGO because our deficit has gotten out of hand. Our friends on the opposite side of the aisle, in cooperation with this administration, have been spending like drunken sailors. So now we have a way that we can help the least of these in our society attain quality, decent housing, low and moderate income people, and not tap the general fund at all.

And so we have this very, very creative way to do this led by our chairman. And a lot of people are going to benefit from it. And again, we have had attempts to deny it, and now we have an attempt to cap it.

I am saying we should not support this amendment. We should debate it in the way that we have been debating basically this Housing Trust Fund all evening. You have tried everything that you can possibly think of. You have tried to redefine it. You have tried to talk about it in different ways that certainly it was not meant to be described. And you are not winning at this. As a matter of fact, I am hoping that since you are now at the point where you see that there is a lot of support for this Housing Trust Fund, and that you have tried everything that you can possibly try and it hasn't worked, that you will just fold your tent, roll over, come on in, and in the final analysis, vote for this bill which will include this Housing Trust Fund.

I am so tired. I don't have another word that I can share about it. And I hope you feel the same way, too, so we can wrap it up and go home.

Mr. HENSARLING. Mr. Chairman, I move to strike the last word, and I yield to the gentleman from Texas.

Mr. NEUGEBAUER. I thank the gentleman, and I thank the distinguished chairwoman of the Housing Committee. I enjoy serving with her.

You know, I think one of the points I would make here is my bill does not try to kill the Housing Fund. My bill tries to say that, you know what? We're asking these entities to step up and make a big contribution, and we want to make sure that they do it in a safe and sound manner.

You know, I will tell you, the problem here is that if these entities, if we do something that jeopardizes the health of these entities by taking money out of their capital structure, these entities will not be able to perform the functions that they have been performing in the marketplace. And so what this is, I believe, is a realistic approach at looking at how we begin to go down this road.

Now, even the majority has put a sunset in this bill, a 5-year sunset I believe, if I am correct. What that allows us to do is we are going to see, you know, $520 million roughly over a 5-year period, we are going to see what happens to how does that Housing Fund perform, how does that impact the entity that is paying these monies? If we want to come back at the end of 5 years and you want to raise the cap, let's look at the cap. But let's also let the regulator look at the cap during that process and make sure that we're not doing something that is causing harm.

The worst thing we can do for the housing market in this country is to disrupt one of the envies of the world, and that is our financial structure, how we finance housing in this country.

When I was in the home building industry, I was on the National Board of Directors of Home Builders, people from all over the world wanted to come and say how is it that America has such a high ownership rate and such a robust financial market for housing. They wanted to know how to copy ours. So we need to preserve that and not sit around and figure out ways to necessarily harm it.

So I encourage Members to support this. This is a fair proposition. This is not killing anything. This is a fair proposition. It's saying that we believe that how we got to the ownership rate that we have in America today is by protecting the companies and the entities and the financial structure that allowed us to get here, and not by trying to somehow cause it harm.

In closing, I want to say this to Chairman FRANK and to the ranking member, this has been a very deliberative process. And Mr. FRANK, in our full committee, allowed us the opportunity to offer as many amendments as we would like to. We had a lot of dialogue there. We've had a lot of dialogue here tonight, and maybe some of it has been duplicative. But I think the good thing about it is that we have aired all of the concerns that people have about this. Because this is a very important piece of legislation. It has a tremendous amount of impact on the future of the financial markets in America. And so if it takes 1 day or it takes 2 days, and if it takes 20 amendments or 100 amendments to get to the right place, then I think that is a good process. But I want to thank the chairman for allowing us to get to this point.

Mr. SCOTT of Georgia. I move to strike the last word.

Let me see if we can put some of this in perspective for tonight as we wind down in this successful debate.

Here we've got an extraordinary emergency problem affecting the very poorest of people. Not just the very poorest of people, but people who have been devastated by the worst natural disaster in the modern history of our country; and on top of that, people who have been denied and denied. What comes to my mind are those images of those individuals who lost everything standing on rooftops to get saved. In a way, they are still standing on those rooftops, without homes. And here we've got a measure to go and address that.

This evening has just been an illustrative of attempt after attempt. First you wanted to make this equate to saving Social Security or raiding Social Security. Then you put this program in as being a measure to add to the deficit. Then came immigration. That wasn't enough. Then you want to restrict the means of the GSEs to have the most profitable way of arranging their portfolios. And you want to clamp down and make it so that the only investments they could get would be those at the bottom of the economic heap yielding the lowest return. Because you knew that this would not require a tax increase. You knew that this was based upon shareholders, nontaxable funds, a very creative way. And yet you tried to slam it in. Here are these Democrats raising your taxes again. But the American people are not buying that. That is not the case.

Then the game comes that again, this is an entitlement, where nowhere in the legislation is it an entitlement. All of tonight just reminded me, when I remember those images of those poor people still looking for help, but what you have offered them tonight is a massive cut, cutting the legs out from under them and then condemning them for being a cripple. That's devastating.

Now we come to the last amendment. Having failed all of that, my good friend from Texas says we're going to cap it. Oh, that's not going to do anything. But your fellow Congressman from Texas game down to that floor, Congressman GREEN and Congressman BRADY asking for help, wanting to help, but no money, and here you are wanting to crimp it, wanting to cap it.

Now, you say the cap doesn't mean anything, that it is going to be the lesser of 1.2 basis point average total

mortgage portfolio for the prior year, or $520 million, or a lesser amount determined by the director. The director determines either the higher amount possesses a safety or soundness concern.

But what this amendment actually does, it reduces the amount available in the affordable housing program from an estimated $600 million a year down to $520 million a year. But it goes more than that. It just doesn't cap that. It would also cap the amount that the $520 million, even if the actual funds under the formula exceeded the estimated $600 million a year.

Chairman FRANK has put a very creative measure in. He has tagged it to no set amount, he just put it at 1.2 of the basic points so it allows a free marketplace. And then it allows these GSEs and the shareholders, based upon the profit that they make, to take some of that and help the most needy among us.

This has, indeed, been a tremendous debate tonight. We have been going at it since 5 o'clock this afternoon. But it has been worth it because there is no greater thing you can do for your fellow citizens than make sure they have a roof over their heads.

ANNOUNCEMENT BY THE ACTING CHAIRMAN

The Acting CHAIRMAN. Members on both sides are reminded to address their comments to the Chair.

Ms. JACKSON-LEE of Texas. I move to strike the requisite number of words.

I want, first of all, to start with a loud applause for the Financial Services Committee. As I said in my office, to see this story unfold, something that has never happened in this Congress during the tenure that I have had, is a real legislative initiative that addresses the question of the deficit in housing in America.

This bill, for the first time, will provide a stable and well-regulated mortgage market. And my good friend from Texas, the spirit that he has offered this amendment, I assume that he is both serious, and, of course, concerned. But coming from Texas as well, I don't know how many Texans my good friend speaks for because this particular Affordable Housing Fund does start off the first year in funding the devastation of Louisiana and Mississippi, but what it continues to do is provide a $500, $600 million affordable Housing Trust Fund that the people of Texas will benefit from.

□ 0030

Maybe my good friend has not been to East Texas and seen the devastation of Hurricane Rita. Those people, just a few miles down from Houston, are still living without housing.

This is a very measured legislative initiative, for the fund prohibits any hanky-panky. It has nothing to do with administrative costs, political activities, advocacy, lobbying, counseling, travel expense, preparation or advice on tax returns. It is all about housing. It even limits administrative costs. And it is sunsetted after 5 years.

We in Houston are still suffering from Storm Allison, and an affordable housing plan will allow housing to be restored to those who are unable to find housing. In fact, what this particular legislation will do is to answer the question why 71 percent of extremely low income renters pay more than half of their income for housing and 64 percent of homeowners who are low income pay more than half. There is a housing crisis. Right now there is an epidemic of foreclosures because of a broken mortgage system that has preyed upon eager Americans to be able to buy a home.

The capping of this strategic and innovative formula for affordable housing will only dumb-down the opportunities for people to gain housing. I can assure you that the throngs of Americans are begging for the passage of this legislation tonight, because all an American wants to do when you hear them talk about we all are created equal with certain inalienable rights, it is all about the quality of life, the ability to send a child to school for a good education, a good home and good healthcare.

My friend talks about money, $520 million, it may go up a bit, for one year. We are spending $1 billion a day almost in Iraq and certainly we have a difference of opinion on that use of money. But the real question is, what can we do to fix the broken predatory lending system, the broken mortgage system, the lack of housing for people who want housing? We can pass H.R. 1427.

It is interesting that I am looking at a letter to our colleagues, and it says signed by BARNEY FRANK, MEL WATT, RICHARD BAKER and GARY MILLER. To me, that seems like a bipartisan commitment to this reform.

So I am confused by the gentleman's amendment to cap and to dumb down this affordable housing trust fund that would in fact provide money for Texas. Those of us in Houston in districts like mine and districts that are surrounding all know of the many hard-working survivors who are in our community trying to make it from Hurricane Katrina and Hurricane Rita. We have ceased calling anyone a deadbeat or someone who doesn't want to work or doesn't want housing. I would venture to say if you walked along any block, inner-city block, you would find people saying give me an opportunity.

Chairman FRANK, all I see in this bill is an opportunity; a regulated, precise opportunity for affordable housing, and I ask my colleagues to defeat the Neugebauer amendment and vote for H.R. 1427.

The Acting CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. NEUGEBAUER).

The question was taken; and the Acting Chairman announced that the noes appeared to have it.

Mr. NEUGEBAUER. Mr. Chairman, I demand a recorded vote.

The Acting CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Texas will be postponed.

Mr. FRANK of Massachusetts. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Ms. JACKSON-LEE of Texas) having assumed the chair, Mr. ALTMIRE, Acting Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 1427) to reform the regulation of certain housing-related Government-sponsored enterprises, and for other purposes, had come to no resolution thereon.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. FRANK of Massachusetts. Madam Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ADJOURNMENT TO MONDAY, MAY 21, 2007

Mr. FRANK of Massachusetts. Madam Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10:30 a.m. on Monday next for morning-hour debate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DAY THREE OF THE FOOD STAMP CHALLENGE

(Mr. MCGOVERN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MCGOVERN. Madam Speaker, today is the third day of my week on the Food Stamp Challenge, where public officials live for 1 week on a food stamp budget in order to raise awareness about the Food Stamp Program. Representatives JO ANN EMERSON, TIM RYAN, and JAN SCHAKOWSKY are also taking part.

Although critics of the Food Stamp Program frequently speculate that it runs rampant with fraud, waste, and abuse, this is simply and utterly untrue. Don't just take my word for it. Go ask the Government Accountability Office. According to the GAO, the Food Stamp program currently operates at

historically low error rates. Between 1999 and 2005, the national payment error rate declined 40 percent to an all-time low of 5.84 percent. In addition, there are incentives built into the program so that States are rewarded for low error rates and may be fined if they are underperforming.

By any measure the Food Stamp Program is an example of an efficiently run government program. I will insert into the RECORD the highlights of the GAO testimony before the Senate on payment errors and trafficking.

[From Highlights, Jan. 31, 2007]

FOOD STAMP PROGRAM

WHY GAO DID THIS STUDY

The U.S. Department of Agriculture's (USDA) Food Stamp Program is intended to help low-income individuals and families obtain a better diet by supplementing their income with benefits to purchase food. USDA's Food and Nutrition Service (FNS) and the states jointly implement the Food Stamp Program, which is to be authorized when it expires in fiscal year 2007. This testimony discusses our past work on two issues related to ensuring integrity of the program: (1) improper payments to food stamp participants, and (2) trafficking in food stamp benefits.

This testimony is based on a May 2005 report on payment errors (GAO–05–245) and an October 2006 report on trafficking (GAO–07–53). For the payment error report, GAO analyzed program quality control data and interviewed program stakeholders, including state and local officials. For the trafficking report, GAO interviewed agency officials, visited field offices, conducted case file reviews, and analyzed data from the FNS retailer database.

WHAT GAO FOUND

The national payment error rate for the Food Stamp Program combines states' overpayments and underpayments to program participants and has declined by about 40 percent between 1999 and 2005, from 9.86 percent to a record low of 5.84 percent, due in part to options made available to states that simplified program reporting rules. In 2005, the program made payment errors totaling about $1.7 billion. However, if the 1999 error rate was in effect in 2005, program payment errors would have been $1.1 billion higher. FNS and the states we reviewed have taken several steps to improve food stamp payment accuracy, most of which are consistent with internal control practices known to reduce improper payments. These include practices to improve accountability, perform risk assessments, implement changes based on such assessments, and monitor program performance.

FNS estimates indicate that the national rate of food stamp trafficking declined from about 3.8 cents per dollar of benefits redeemed in 1993 to about 1.0 cent per dollar during the years 2002 to 2005 and that trafficking occurs more frequently in smaller stores. FNS has taken advantage of electronic benefit transfer and other new technology to improve its ability to detect trafficking and disqualify retailers who traffic. Law enforcement agencies have investigated and referred for prosecution a decreasing number of traffickers; they are instead focusing their efforts on fewer high-impact investigations. Despite the progress FNS has made in combating retailer trafficking, the Food Stamp Program remains vulnerable because retailers can enter the program intending to traffic and do so, often without fear of severe criminal penalties, as the declining number of investigations referred for prosecution suggests.

While both payment errors and trafficking of benefits have declined in a time of rising participation, ensuring program integrity remains a fundamental challenge facing the Food Stamp Program. To reduce program vulnerabilities and ensure limited compliance-monitoring resources are used efficiently, GAO recommended in its October 2006 trafficking report that FNS take additional steps to target and provide early oversight of stores most likely to traffic; develop a strategy to increase penalties for trafficking, working with the Inspector General as needed; and promote state efforts to pursue recipients suspected of trafficking. FNS generally agreed with GAO's findings, conclusions, and recommendations. However, FNS believes it does have a strategy for targeting resources through their use of food stamp transaction data to identify suspicious transaction patterns. GAO believes that FNS has made good progress in its use of these transaction data; however, it is now at a point where it can begin to formulate more sophisticated analyses.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. HARMAN (at the request of Mr. HOYER) for today after 12 noon on account of official travel.

Mrs. JONES of Ohio (at the request of Mr. HOYER) for today on account of death in the family.

Mrs. JONES of Ohio (at the request of Mr. HOYER) for May 14.

Mr. WYNN (at the request of Mr. HOYER) for May 16 after 4 p.m.

Mr. BAIRD (at the request of Mr. HOYER) for today through May 22.

ADJOURNMENT

Mr. FRANK of Massachusetts. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 36 minutes a.m.), under its previous order, the House adjourned until Monday, May 21, 2007, at 10:30 a.m., for morning-hour debate.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

1816. A letter from the Comptroller, Department of Defense, transmitting the Secretary's certification that the current Future Years Defense Program (FYDP) fully funds the support costs associated a multiyear procurement for the V-22 Osprey, pursuant to 10 U.S.C. 2306b(i)(1)(A); to the Committee on Armed Services.

1817. A letter from the General, Department of the Army, Department of Defense, transmitting a letter regarding the U.S. Army Training and Doctrine Command (TRADOC); to the Committee on Armed Services.

1818. A letter from the Under Secretary for Personnel and Readiness, Department of Defense, transmitting a letter on the approved retirement of Lieutenant General Steven W. Boutelle, United States Army, and his advancement to the grade of lieutenant general on the retired list; to the Committee on Armed Services.

1819. A letter from the Chairman and President, Export-Import Bank, transmitting a report on transactions involving U.S. exports to Singapore pursuant to Section 2(b)(3) of the Export-Import Bank Act of 1945, as amended; to the Committee on Financial Services.

1820. A letter from the Secretary, Department of Education, transmitting the Department's final rule — Title I — Improving the Academic Achievement of the Disadvantaged; Individuals With Disabilities Education Act (IDEA) — Assistance to States for the Education of Children with Disabilities (RIN: 1810-AA98) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and Labor.

1821. A letter from the Secretary, Department of Labor, transmitting a copy of proposed legislation entitled, ''Workforce Investment Act Amendments of 2007''; to the Committee on Education and Labor.

1822. A letter from the Chairman, Occupational Safety and Health Review Commission, transmitting the Commission's report on the amount of the acquisitions made from entities that manufacture the articles, materials, or supplies outside of the United States in fiscal year 2006, pursuant to Public Law 109-115, section 837; to the Committee on Education and Labor.

1823. A letter from the Director, International Cooperation, Department of Defense, transmitting Pursuant to Section 27(f) of the Arms Export Control Act and Section 1(f) of Executive Order 11958, Transmittal No. 02-07 informing of an intent to sign the Special Forces Equipment Capability Memorandum of Understanding between the United States and Australia, pursuant to 22 U.S.C. 2767(f); to the Committee on Foreign Affairs.

1824. A letter from the Secretary, Department of the Treasury, transmitting a six month periodic report on the national emergency with respect to the Democratic Republic of the Congo that was declared in Executive Order 13413 of October 27, 2006, pursuant to 50 U.S.C. 1641(c); to the Committee on Foreign Affairs.

1825. A letter from the Secretary, Department of the Treasury, transmitting as required by Executive Order 13313 of July 31, 2003, a six-month periodic report on the national emergency with respect to the Development Fund for Iraq that was declared in Executive Order 13303 of May 22, 2003, pursuant to 50 U.S.C. 1641(c); to the Committee on Foreign Affairs.

1826. A letter from the Secretary, Department of the Treasury, transmitting as required by Executive Order 13313 of July 31, 2003 a six-month periodic report on the national emergency with respect to Burma declared by Executive Order 13047 of May 20, 1997, pursuant to 50 U.S.C. 1641(c); to the Committee on Foreign Affairs.

1827. A letter from the Secretary, Department of the Treasury, transmitting a six month periodic report on the national emergency with respect to Sudan that was declared in Executive Order 13067 of November 3, 1997, pursuant to 50 U.S.C. 1641(c); to the Committee on Foreign Affairs.

1828. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting Copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on Foreign Affairs.

1829. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 17-39, ''Human Papillomavirus Vaccination and Reporting Act of 2007,'' pursuant to D.C. Code section 1-233(c)(1); to the Committee on Oversight and Government Reform.

1830. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 17-40, ''Looraine H.

Whitlock Memorial Bridge Designation Act of 2007,'' pursuant to D.C. Code section 1-233(c)(1); to the Committee on Oversight and Government Reform.

1831. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. ACT 17-41, ''Verizon Center Sales Tax Revenue Bond Approval Act of 2007,'' pursuant to D.C. Code section 1-233(c)(1); to the Committee on Oversight and Government Reform.

1832. A letter from the District of Columbia Auditor, Office of the District of Columbia Auditor, transmitting a report entitled, ''Letter Report: Auditor's Concerns Regarding Matters that May Adversely Affect the Financial Operations of the District of Columbia Water and Sewer Authority,'' pursuant to D.C. Code section 47-117(d); to the Committee on Oversight and Government Reform.

1833. A letter from the Director, Office of Management, Department of Energy, transmitting the Department's Year 2006 Inventory of Commercial Activities, as required by the Federal Activities Reform Act of 1997, Pub. L. 105-270; to the Committee on Oversight and Government Reform.

1834. A letter from the Assistant Administrator, OARM, Environmental Protection Agency, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Oversight and Government Reform.

1835. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Special Local Regulation: ULHRA Hydroplane Rces, Columbia Park, Kennewick, Washington. [CGD13-07-013] (RIN: 1625-AA00) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1836. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Special Local Regulations for Marine Events; Western Branch, Elizabeth River, Portsmouth, VA [CGD05-07-013] (RIN: 1625-AA08) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1837. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Special Local Regulations for Marine Events; Martin Lagoon, Middle River, MD [CGD05-07-009] (RIN: 1625-AA08) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1838. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Drawbridge Operation Regulation; Venetian Causeway (West) Drawbridge, Atlantic Intracoastal Waterway, Mile 1088.6, and Venetian Causeway (East) Drawbridge, Biscayne Bay, Miami, Miami-Dade County, FL [CGD07-06-050] (RIN: 1625-AA09) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1839. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Drawbridge Operation Regulation; Illinois Waterway, Illinois [CGD08-06-013] (RIN: 1625-AA09) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1840. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Regulated Navigation Area; Cumberland River, Clarksville, TN. [CGD08-07-010] (RIN: 1625-AA11) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1841. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Drawbridge Operation Regulations; Charles River and its tributaries, Boston, MA [CGD01-07-048] (RIN: 1625-AA09) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1842. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Drawbridge Operation Regulations; Intracoastal Waterway (ICW); Inside Thorofare, Atlantic City, NJ [CGD05-07-047] (RIN: 1625-AA-09) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1843. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Drawbridge Operation Regulation; Venetian Causeway (West) Drawbridge, Atlantic Intracoastal Waterway, Mile 1088.6, and Venetian Causeway (East) Drawbridge, Biscayne Bay, Miami, Miami-Dade County, FL; Correction [CGD07-06-050] (RIN: 1625-AA09) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1844. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Celebration 2007, Appomattox River, Hopewell, VA [CCGD05-07-024] (RIN: 1625-AA00) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1845. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Florence Rhodie Days Fireworks Display, Siuslaw River, Florence, OR [CGD13-07-012] (RIN: 1625-AA00) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1846. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Safety Zone: Willoughby Point located on Langley Air Force Base, Back River, Hampton, VA. [CCGD05-07-023] (RIN: 1625-AAOO) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1847. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Michigan Aerospace Challenge, Muskegon Lake, Muskegon, MI. [CGD09-07-011] (RIN: 1625-AA00) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1848. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Fireworks Display, Potomac River, Oxon Hill, MD [CGD05-07-034] (RIN: 1625-AA00) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1849. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Intracoastal Waterway, Treasure Island, Florida [COTP Sector St. Petersburg 07-048] (RIN: 1625-AA00) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1850. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; South Portland, Maine, Gulf Blasting Project [CGD01-07-33] (RIN: 1625-AA00) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1851. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Safety Zone: Satellite Launch, NASA Wallops Flight Facility, Wallops Island, VA. [CCGD05-07-035] (RIN: 1625-AA00) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1852. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Kimmelman's Wedding Party Fireworks Display, San Francisco Bay, CA [COTP San Francisco Bay 07-007] (RIN: 1625-AA00) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1853. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Port Pirate Festival Fireworks, Port Washington Harbor, Port Washington, WI. [CGD09-07-015] (RIN: 1625-AA00) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1854. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Fireworks Display, Pamlico River, Washington, North Carolina [CGD05-07-040] (RIN: 1625-AA00) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1855. A letter from the Chief, Regulations and Administrative Law, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; KFOG ''Kaboom'' Fireworks Display, San Francisco Bay, CA [COTP San Francisco Bay 07-006] (RIN: 1625-AA00) received May 14, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1856. A letter from the Program Analyst, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Airbus Model A320 Airplanes [Docket No. FAA-2006-26595; Directorate Identifier 2006-NM-208-AD; Amendment 39-14998; AD 2007-06-17] (RIN: 2120-AA64) received May 10, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1857. A letter from the Program Analyst, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Airbus Model A318, A319, A320, and A321 Airplanes [Docket No. FAA-2006-26272; Directorate Identifier 2006-NM-153-AD; Amendment 39-14999; AD 2007-06-18] (RIN: 2120-AA64) received May 10, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1858. A letter from the Program Analyst, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Eurocopter France Model AS350B, AS350B1, AS350B2, AS350B3, AS350BA, AS350C, AS350D, and AS350D1 Helicopters [Docket No. FAA-2006-25085; Directorate Identifier 2006-SW-02-AD; Amendment 39-14996; AD 2007-06-15] (RIN: 2120-AA64) received May 10, 2007, pursuant to 5 U.S.C.

801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1859. A letter from the Program Analyst, Department of Transportation, transmitting the Department's final rule — Modification of Class E Airspace; Peru, IL [Docket No. FAA-2007-27110; Airspace Docket No. 07-AGL-1] (RIN: 2120-AA66) received May 4, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1860. A letter from the Program Analyst, Department of Transportation, transmitting the Department's final rule — Changes to the Definition of Certain Light-Sport Aircraft [Docket No. FAA-2007-27160; Amendment No. 1-56] (RIN: 2120-AI97) received May 4, 2007, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RAHALL: Committee on Natural Resources. H.R. 1100. A bill to revise the boundary of the Carl Sandburg Home National Historic Site in the State of North Carolina, and for other purposes; with an amendment (Rept. 110–157). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

[Omitted from the Record of May 16, 2007]

By Mr. DICKS (for himself, Mr. INSLEE, and Mr. SAXTON):

H.R. 2338. A bill to establish the policy of the Federal Government to use all practicable means and measures to assist wildlife population in adapting to and surviving the effects of global warming, and for other purposes; referred to the Committee on Natural Resources, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

[Submitted May 17, 2007]

H.J. Res. 43. A joint resolution increasing the statutory limit on the public debt.

By Mr. SCOTT of Georgia:

H.R. 2356. A bill to amend title 4, United States Code, to encourage the display of the flag of the United States on Father's Day; to the Committee on the Judiciary.

By Mr. STARK (for himself, Mr. ABERCROMBIE, Ms. BALDWIN, Mr. BERMAN, Mrs. CHRISTENSEN, Mr. CLAY, Mr. AL GREEN of Texas, Mr. GENE GREEN of Texas, Mr. GRIJALVA, Mr. HASTINGS of Florida, Mr. HINCHEY, Mr. HONDA, Mr. KUCINICH, Ms. MATSUI, Mrs. MCCARTHY of New York, Mr. MCDERMOTT, Mr. MCGOVERN, Mr. MCNULTY, Mr. GEORGE MILLER of California, Mr. RANGEL, Mr. RUSH, Ms. SCHAKOWSKY, Ms. SCHWARTZ, Mr. SHERMAN, and Mr. WU):

H.R. 2357. A bill to amend the Social Security Act to guarantee comprehensive health care coverage for all children born after 2008; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. KILDEE (for himself, Mr. FRANK of Massachusetts, Mr. BOREN, Mr. RENZI, and Mr. COLE of Oklahoma):

H.R. 2358. A bill to require the Secretary of the Treasury to mint and issue coins in commemoration of Native Americans and the important contributions made by Indian tribes and individual Native Americans to the development of the United States and the history of the United States, and for other purposes; to the Committee on Financial Services.

By Mr. SESTAK (for himself, Ms. VELÁZQUEZ, and Mr. SHULER):

H.R. 2359. A bill to reauthorize programs to assist small business concerns, and for other purposes; to the Committee on Small Business.

By Mr. EHLERS (for himself, Mr. DANIEL E. LUNGREN of California, and Mr. MCCARTHY of California):

H.R. 2360. A bill to amend the Help America Vote Act of 2002 to require States to meet Federal guidelines for the operation of electronic voting equipment, and for other purposes; to the Committee on House Administration.

By Mr. DOGGETT (for himself, Mr. HULSHOF, Mr. LARSON of Connecticut, Mr. ANDREWS, Mr. BECERRA, Mr. BISHOP of New York, Mr. BLUMENAUER, Mr. BRALEY of Iowa, Ms. CORRINE BROWN of Florida, Mr. CARNAHAN, Ms. CARSON, Ms. CLARKE, Mr. CLAY, Mr. CLEAVER, Mr. CONYERS, Mr. CROWLEY, Mr. DEFAZIO, Ms. DELAURO, Mr. ELLISON, Mr. EMANUEL, Mr. FARR, Mr. FILNER, Mr. FORTENBERRY, Mr. GRIJALVA, Mr. HARE, Mr. HINCHEY, Mr. INSLEE, Ms. KAPTUR, Ms. KILPATRICK, Mr. KIND, Ms. LEE, Mr. LEVIN, Mr. LEWIS of Georgia, Mr. LIPINSKI, Mr. LOEBSACK, Mr. MCDERMOTT, Mr. MCGOVERN, Mr. MCNULTY, Mr. OBERSTAR, Mr. PASCRELL, Ms. SCHWARTZ, Ms. SLAUGHTER, Ms. SOLIS, Mr. STARK, Ms. SUTTON, Mr. TIERNEY, Mr. VAN HOLLEN, Ms. VELÁZQUEZ, Ms. WATSON, Mr. WELCH of Vermont, Mr. WAXMAN, Ms. WATERS, Mrs. CAPPS, Ms. SCHAKOWSKY, and Ms. WOOLSEY):

H.R. 2361. A bill to amend the Internal Revenue Code of 1986 to disallow the credit for renewable diesel in the case of fuel coproduced with petroleum, natural gas, or coal feedstocks; to the Committee on Ways and Means.

By Mr. BILBRAY (for himself and Mr. THOMPSON of California):

H.R. 2362. A bill to reduce the duty on certain golf club components; to the Committee on Ways and Means.

By Mr. BISHOP of New York (for himself and Mr. TOM DAVIS of Virginia):

H.R. 2363. A bill to amend the Internal Revenue Code of 1986 to exclude from gross income amounts paid on behalf of Federal employees and members of the Armed Forces on active duty under Federal student loan repayment programs; to the Committee on Ways and Means.

By Mr. BLUMENAUER (for himself, Mrs. BOYDA of Kansas, Mr. KAGEN, Mrs. GILLIBRAND, Mr. RUSH, Mr. PAYNE, Ms. SCHAKOWSKY, and Mr. ALLEN):

H.R. 2364. A bill to promote expanded economic opportunities for farmers and ranchers through local and regional markets, expand access to healthy food in underserved communities, provide access to locally and regionally grown food for schools, institutions, and consumers, and strengthen rural-urban linkages, and for other purposes; to the Committee on Agriculture, and in addition to the Committee on Education and Labor, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BOUCHER (for himself, Mr. GOODLATTE, and Mr. CHABOT):

H.R. 2365. A bill to amend title 35, United States Code, to limit damages and other remedies with respect to patents for tax planning methods; to the Committee on the Judiciary.

By Mr. BUCHANAN (for himself, Ms. VELÁZQUEZ, Mr. SHULER, and Mr. CHABOT):

H.R. 2366. A bill to reauthorize the veterans entrepreneurial development programs of the Small Business Administration, and for other purposes; to the Committee on Small Business.

By Mr. CARNAHAN (for himself, Ms. LEE, Mr. RYAN of Ohio, Mr. CROWLEY, Mr. MOORE of Kansas, Ms. MCCOLLUM of Minnesota, Mr. SHAYS, Mr. OBERSTAR, Mr. MICHAUD, and Mr. MCGOVERN):

H.R. 2367. A bill to amend the Foreign Assistance Act of 1961 to authorize assistance to provide contraceptives in developing countries in order to prevent unintended pregnancies, abortions, and the transmission of sexually transmitted infections, including HIV/AIDS; to the Committee on Foreign Affairs.

By Mr. CARTER:

H.R. 2368. A bill to provide for updated and secure social security cards; to the Committee on Ways and Means.

By Mr. CHABOT:

H.R. 2369. A bill to extend the authorization of appropriations for the Office of Government Ethics through fiscal year 2011; to the Committee on Oversight and Government Reform, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CRENSHAW (for himself, Mr. MEEK of Florida, Mr. CAMP of Michigan, Mr. SESSIONS, Mr. TOM DAVIS of Virginia, Mr. RAMSTAD, Mrs. BONO, Mr. MACK, Ms. CORRINE BROWN of Florida, Mr. PUTNAM, and Mr. WEXLER):

H.R. 2370. A bill to amend the Internal Revenue Code of 1986 to provide for the establishment of financial security accounts for the care of family members with disabilities; to the Committee on Ways and Means.

By Mr. CUMMINGS (for himself, Mr. WAXMAN, and Mr. KUCINICH):

H.R. 2371. A bill to amend the Public Health Service Act to expand and improve the provision of pediatric dental services to medically underserved populations, and for other purposes; to the Committee on Energy and Commerce.

By Ms. DELAURO (for herself, Ms. KAPTUR, Mr. COHEN, and Mr. FATTAH):

H.R. 2372. A bill to amend the Internal Revenue Code of 1986 to impose a temporary windfall profit tax on crude oil, to make the revenues from such tax available for investments in renewable energy and energy efficiency, and for other purposes; to the Committee on Ways and Means, and in addition to the Committees on the Budget, and Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. FATTAH (for himself, Mr. KANJORSKI, Mr. MOORE of Kansas, Mr. CONYERS, Ms. DELAURO, Ms. EDDIE

BERNICE JOHNSON of Texas, Mr. JEFFERSON, Mr. GRIJALVA, Ms. CORRINE BROWN of Florida, Mrs. NAPOLITANO, Mr. RUSH, Mr. RANGEL, Mr. ALLEN, Ms. KILPATRICK, Mr. HINOJOSA, Ms. JACKSON-LEE of Texas, Ms. WATERS, Mr. GONZALEZ, Mr. CUMMINGS, Mr. THOMPSON of Mississippi, Mr. TOWNS, Mr. BISHOP of Georgia, Ms. SCHWARTZ, Mr. MEEKS of New York, Mr. TIERNEY, Mr. SCOTT of Virginia, Mr. LEWIS of Georgia, Mrs. JONES of Ohio, Ms. NORTON, Mr. BUTTERFIELD, Mr. WYNN, Ms. WOOLSEY, Mr. HOLDEN, Mr. DOYLE, Mr. CLAY, Mr. AL GREEN of Texas, Mr. MORAN of Virginia, Ms. CARSON, Mr. OLVER, Mr. MURTHA, Mrs. MALONEY of New York, Mr. HONDA, Mr. KUCINICH, Mr. JACKSON of Illinois, Mr. DAVIS of Alabama, Mr. DAVIS of Illinois, Mr. HASTINGS of Florida, Ms. LEE, Mr. PAYNE, Mrs. CHRISTENSEN, Ms. WATSON, Ms. BORDALLO, Mr. CARDOZA, and Mr. WATT):

H.R. 2373. A bill to provide for adequate and equitable educational opportunities for students in State public school systems, and for other purposes; to the Committee on Education and Labor.

By Mr. FORTENBERRY:

H.R. 2374. A bill to authorize the Secretary of the Interior to expand the boundary of the Homestead National Monument of America, in the State of Nebraska, and for other purposes; to the Committee on Natural Resources.

By Mr. FRANK of Massachusetts (for himself, Mr. MCGOVERN, Mr. KENNEDY, and Mr. LANGEVIN):

H.R. 2375. A bill to provide wage parity for certain prevailing rate employees in Southeastern Massachusetts and Rhode Island; to the Committee on Oversight and Government Reform.

By Mr. FRANKS of Arizona:

H.R. 2376. A bill to prohibit the rewarding of suicide bombings, to prohibit terrorist kidnappings and sexual assaults, and for other purposes; to the Committee on the Judiciary.

By Mr. GINGREY:

H.R. 2377. A bill to amend the Internal Revenue Code of 1986 to increase the deduction under section 179 for the purchase of qualified health care information technology by medical care providers, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. HERSETH SANDLIN:

H.R. 2378. A bill to amend title 38, United States Code, to establish a financial assistance program to facilitate the provision of supportive services for very low-income veteran families in permanent housing, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. HOLT (for himself, Mr. LOBIONDO, Mr. SMITH of New Jersey, Mr. PAYNE, Mr. TOWNS, Mr. JEFFERSON, Ms. JACKSON-LEE of Texas, Mr. GRIJALVA, Mr. BRADY of Pennsylvania, Ms. CORRINE BROWN of Florida, Mr. FERGUSON, Ms. ROYBAL-ALLARD, Mr. PASCRELL, Ms. LINDA T. SÁNCHEZ of California, Mr. BISHOP of Georgia, Mr. SAXTON, Mr. COHEN, and Ms. NORTON):

H.R. 2379. A bill to amend title XIX of the Social Security Act to require staff working with developmentally disabled individuals to call emergency services in the event of a life-threatening situation; to the Committee on Energy and Commerce.

By Mr. HULSHOF (for himself, Mr. CRAMER, Mrs. EMERSON, Mr. AKIN, Mrs. BIGGERT, Mr. CANNON, Mrs. BACHMANN, Mr. FRANKS of Arizona, Mr. LOBIONDO, Mr. BRADY of Texas, Mr. KNOLLENBERG, Mr. CULBERSON, Mr. HENSARLING, Mr. GRAVES, Mr. PAUL, Mr. CARTER, Mr. CANTOR, Mr. SULLIVAN, Mr. LATHAM, Mr. FERGUSON, Mr. SENSENBRENNER, Mr. KUHL of New York, Mr. GERLACH, Mr. FRELINGHUYSEN, Mr. WAMP, Mrs. DRAKE, Mr. ENGLISH of Pennsylvania, Mr. REYNOLDS, Mr. HALL of Texas, Mr. MILLER of Florida, Mr. KELLER, Mr. FOSSELLA, Mr. DOOLITTLE, Mr. MARIO DIAZ-BALART of Florida, Mr. NUNES, Mr. DAVIS of Kentucky, Mr. MCCARTHY of California, Mr. GOODE, Mr. PORTER, Mr. LAMBORN, Mr. TERRY, Mrs. MCMORRIS RODGERS, Mr. RENZI, Mr. RAMSTAD, Mrs. MYRICK, Mr. CAMP of Michigan, Mr. EVERETT, Mr. RADANOVICH, Mr. SHIMKUS, Mr. MACK, Mr. TIAHRT, Ms. PRYCE of Ohio, Mr. GALLEGLY, Mr. MCCAUL of Texas, Mr. PITTS, Mr. BOUSTANY, Mr. ROSKAM, Mr. HERGER, Mr. BARTLETT of Maryland, Mr. KIRK, Mr. STEARNS, Mr. BONNER, Mr. SESSIONS, Mrs. CUBIN, Mr. WHITFIELD, Mr. PRICE of Georgia, Mr. PETERSON of Pennsylvania, and Mr. SHUSTER):

H.R. 2380. A bill to make the repeal of the estate tax permanent; to the Committee on Ways and Means.

By Mr. KIND (for himself, Mr. BRALEY of Iowa, Mr. BOSWELL, Mr. ELLISON, Mr. HARE, Mr. LOEBSACK, Ms. MCCOLLUM of Minnesota, Mr. WALZ of Minnesota, and Mr. BERRY):

H.R. 2381. A bill to promote Department of the Interior efforts to provide a scientific basis for the management of sediment and nutrient loss in the Upper Mississippi River Basin, and for other purposes; to the Committee on Natural Resources.

By Mr. KIRK:

H.R. 2382. A bill to promote a return to democracy in Thailand; to the Committee on Foreign Affairs.

By Mr. MATHESON:

H.R. 2383. A bill to protect public health and safety, should the testing of nuclear weapons by the United States be resumed; to the Committee on Armed Services, and in addition to the Committees on Energy and Commerce, and Natural Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. MCCARTHY of New York (for herself and Mr. BOUSTANY):

H.R. 2384. A bill to create a pilot program to increase the number of graduate educated nurse faculty to meet the future need for qualified nurses, and for other purposes; to the Committee on Education and Labor.

By Mr. PATRICK MURPHY of Pennsylvania:

H.R. 2385. A bill to provide and enhance education, housing, and entrepreneur assistance for veterans who serve in the Armed Forces after September 11, 2001, and for other purposes; to the Committee on Veterans' Affairs, and in addition to the Committees on Armed Services, and Small Business, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. PALLONE:

H.R. 2386. A bill to amend title XVIII of the Social Security Act to provide special treatment of certain cancer hospitals under the Medicare Program; to the Committee on Ways and Means.

By Mr. PAUL (for himself, Mr. MILLER of Florida, Mr. EVERETT, Mr. BURTON of Indiana, Mrs. BLACKBURN, Mr. HUNTER, Mr. SIMPSON, Mr. MCCOTTER, Mr. NEUGEBAUER, Mr. HENSARLING, Mr. BARTLETT of Maryland, Mr. TANCREDO, and Mr. DOOLITTLE):

H.R. 2387. A bill to prohibit the use of Federal funds for any universal or mandatory mental health screening program; to the Committee on Energy and Commerce, and in addition to the Committees on Education and Labor, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. SCHAKOWSKY:

H.R. 2388. A bill to amend the Immigration and Nationality Act to enhance protections for immigrant victims of domestic violence, sexual assault, and trafficking; to the Committee on the Judiciary, and in addition to the Committees on Ways and Means, Agriculture, Financial Services, and Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SHULER (for himself and Ms. VELÁZQUEZ):

H.R. 2389. A bill to help small businesses to develop, invest in, and purchase energy efficient buildings, fixtures, equipment, and technology; to the Committee on Small Business.

By Mr. SMITH of New Jersey (for himself and Mr. DOYLE):

H.R. 2390. A bill to amend the Internal Revenue Code of 1986 to provide a refundable tax credit for education and training expenses relating to autism spectrum disorders to increase the number of teachers with such expertise; to the Committee on Ways and Means.

By Mr. STUPAK (for himself and Mr. RAMSTAD):

H.R. 2391. A bill to amend title 5, United States Code, to make family members of public safety officers killed in the line of duty eligible for coverage under the Federal employees health benefits program, and for other purposes; to the Committee on Oversight and Government Reform.

By Ms. WOOLSEY (for herself, Mr. GEORGE MILLER of California, Ms. DELAURO, Mr. ELLISON, Mrs. CAPPS, Ms. CARSON, Mr. CONYERS, Mr. FARR, Mr. HINCHEY, Mr. HINOJOSA, Ms. JACKSON-LEE of Texas, Ms. LEE, Mrs. LOWEY, Mrs. MALONEY of New York, Ms. MATSUI, Mr. MCDERMOTT, Mr. MCGOVERN, Mr. MCNULTY, Ms. MOORE of Wisconsin, Mr. OLVER, Mr. PAYNE, Ms. SCHAKOWSKY, Ms. SOLIS, Ms. WATSON, Ms. KILPATRICK, Mr. JOHNSON of Georgia, Mr. DELAHUNT, Mr. COHEN, Ms. CORRINE BROWN of Florida, Mr. TOWNS, Ms. CLARKE, Mr. CUMMINGS, Mr. DAVIS of Illinois, Mr. JACKSON of Illinois, Mr. JEFFERSON, Mr. KILDEE, Mr. KUCINICH, Mr. LANTOS, Mr. LEWIS of Georgia, Mrs. MCCARTHY of New York, Mr. MEEKS of New York, Mr. RUSH, Ms. LINDA T. SÁNCHEZ of California, Mr. WAXMAN, Mr. WEXLER, Mr. STARK, Mr. CLAY, Mrs. DAVIS of California, Mr. FRANK of Massachusetts, Mr. GRIJALVA, Mr. HONDA, Mr. RAHALL, Mr. ROTHMAN, Ms. NORTON, Ms. BORDALLO, and Ms. WATERS):

H.R. 2392. A bill to improve the lives of working families by providing family and medical need assistance, child care assistance, in-school and afterschool assistance, family care assistance, and encouraging the

establishment of family-friendly workplaces; to the Committee on Education and Labor, and in addition to the Committees on House Administration, Oversight and Government Reform, Financial Services, and Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. YOUNG of Alaska (for himself and Mr. SALI):

H.R. 2393. A bill to amend the American Bald Eagle Recovery and National Emblem Commemorative Coin Act; to the Committee on Financial Services.

By Mrs. WILSON of New Mexico (for herself, Mrs. BACHMANN, Mrs. BIGGERT, Mrs. BLACKBURN, Mrs. BONO, Ms. GINNY BROWN-WAITE of Florida, Mrs. CAPITO, Mrs. DRAKE, Ms. GRANGER, Mrs. EMERSON, Ms. FALLIN, Ms. FOXX, Mrs. MILLER of Michigan, Mrs. MUSGRAVE, Mrs. MYRICK, Ms. PRYCE of Ohio, Ms. ROS-LEHTINEN, and Mrs. SCHMIDT):

H.R. 2394. A bill to study the needs of Wounded Women Warriors; to the Committee on Armed Services.

By Mr. ROHRABACHER:

H. Con. Res. 150. Concurrent resolution expressing gratitude to the people and Government of the Republic of Georgia for their support and commitment in combating Islamist terrorism worldwide and their specific efforts to bring security and stability in Iraq and Afghanistan; to the Committee on Foreign Affairs.

By Mr. BOOZMAN:

H. Res. 412. A resolution expressing gratitude to Her Majesty Queen Elizabeth II and His Royal Highness, Prince Philip, Duke of Edinburgh, for their State Visit to the United States and reaffirming the friendship that exists between the United States and the United Kingdom; to the Committee on Foreign Affairs.

By Mr. FILNER:

H. Res. 413. A resolution recognizing the service of United States Merchant Marine veterans; to the Committee on Transportation and Infrastructure.

By Mr. GOODLATTE (for himself and Mr. SCHIFF):

H. Res. 414. A resolution expressing the sense of the House of Representatives that foreign governments should work diligently to legalize all computer software used by such foreign governments, and for other purposes; to the Committee on Foreign Affairs.

By Mr. HONDA (for himself, Mr. WU, Mr. RADANOVICH, Mr. GONZALEZ, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. GUTIERREZ, Mr. GRIJALVA, Ms. BORDALLO, Mr. RANGEL, Mrs. NAPOLITANO, Ms. BERKLEY, Ms. HIRONO, Mr. LANTOS, Ms. ZOE LOFGREN of California, Ms. MCCOLLUM of Minnesota, Mr. SALAZAR, Mr. BECERRA, Mr. MCDERMOTT, Mr. WYNN, and Mr. LARSON of Connecticut):

H. Res. 415. A resolution honoring Edward Day Cohota, Joseph L. Pierce, and other veterans of Asian and Pacific Islander descent who fought in the United States Civil War; to the Committee on Armed Services.

By Mr. KING of New York (for himself, Mr. NEAL of Massachusetts, Mr. SHAYS, Mr. MCNULTY, Mr. MCCOTTER, Ms. JACKSON-LEE of Texas, Mr. PUTNAM, Mr. COSTELLO, Mr. FOSSELLA, Mr. HINCHEY, Mr. WALSH of New York, Mr. TANNER, Mr. DANIEL E. LUNGREN of California, Mr. WILSON of South Carolina, Mrs. MILLER of Michigan, Mr. WOLF, Mr. MCHUGH, Mr. REYNOLDS, Mr. BURTON of Indiana, Mr. CHABOT, Mr. MILLER of Florida, Mrs. MYRICK, Mr. PEARCE, Mr. LEWIS of California, Mrs. JO ANN DAVIS of Virginia, Mr. MARIO DIAZ-BALART of Florida, Mr. HAYES, Mr. CAMPBELL of California, Mr. YOUNG of Florida, Mr. BROWN of South Carolina, Mr. FEENEY, Mrs. MCMORRIS RODGERS, Mr. CONAWAY, Ms. BORDALLO, Mr. BILIRAKIS, Mr. MCCAUL of Texas, Mr. POE, Mr. KIRK, Mr. WICKER, Mr. DREIER, Mr. LINCOLN DIAZ-BALART of Florida, Mrs. MCCARTHY of New York, Mr. TIAHRT, and Mr. BLUNT):

H. Res. 416. A resolution expressing the sense of the House of Representatives regarding the public service of Tony Blair, Prime Minister of the United Kingdom; to the Committee on Foreign Affairs.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 20: Mr. EMANUEL.

H.R. 65: Mr. ALEXANDER and Mr. SMITH of New Jersey.

H.R. 67: Mr. ENGEL and Mr. MCDERMOTT.

H.R. 77: Mr. WELDON of Florida.

H.R. 111: Mr. CRENSHAW, Mr. KING of Iowa, and Mr. WELLER.

H.R. 141: Mr. AL GREEN of Texas.

H.R. 180: Mr. BRALEY of Iowa.

H.R. 245: Mr. MCCOTTER.

H.R. 260: Mr. HIGGINS.

H.R. 303: Mr. TIAHRT.

H.R. 333: Mr. PEARCE.

H.R. 346: Mrs. BOYDA of Kansas.

H.R. 418: Ms. SHEA-PORTER.

H.R. 450: Mr. MCDERMOTT.

H.R. 468: Ms. SCHAKOWSKY and Ms. ROYBAL-ALLARD.

H.R. 480: Mr. POE and Mr. MCCOTTER.

H.R. 491: Mrs. MCCARTHY of New York.

H.R. 507: Mr. CHANDLER, Mr. FILNER, and Mr. DAVIS of Kentucky.

H.R. 562: Mr. BAKER and Ms. HERSETH SANDLIN.

H.R. 618: Mr. ADERHOLT.

H.R. 621: Mr. CRAMER, Mr. LYNCH, Mr. THOMPSON of Mississippi, and Mr. TIAHRT.

H.R. 628: Mr. TIAHRT.

H.R. 642: Mr. DAVIS of Illinois and Mrs. MCCARTHY of New York.

H.R. 643: Mr. MEEKS of New York, Mr. DELAHUNT, Mr. COLE of Oklahoma, Mrs. BIGGERT, Mr. DAVIS of Illinois, Mr. FORBES, Ms. BALDWIN, Mr. HAYES, and Mr. CANTOR.

H.R. 657: Mr. WALZ of Minnesota.

H.R. 662: Mr. MORAN of Virginia, Mr. REYES, and Mr. GEORGE MILLER of California.

H.R. 670: Ms. SHEA-PORTER.

H.R. 695: Mr. MOLLOHAN and Mr. SMITH of New Jersey.

H.R. 715: Mr. RUSH, Mr. CLEAVER, Mr. HINCHEY, and Mrs. JONES of Ohio.

H.R. 743: Mr. GORDON and Ms. GINNY BROWN-WAITE of Florida.

H.R. 758: Mr. GORDON.

H.R. 819: Mr. UDALL of New Mexico and Mr. PERLMUTTER.

H.R. 864: Mr. PRICE of North Carolina and Mr. LARSEN of Washington.

H.R. 926: Mrs. BOYDA of Kansas.

H.R. 971: Mr. DUNCAN.

H.R. 989: Mr. DAVIS of Kentucky and Ms. FALLIN.

H.R. 1014: Mr. BURTON of Indiana, Mr. CARTER, and Ms. BEAN.

H.R. 1017: Mrs. NAPOLITANO.

H.R. 1038: Mr. WOLF.

H.R. 1043: Mr. KUHL of New York.

H.R. 1069: Mr. CLAY.

H.R. 1070: Mr. CLAY.

H.R. 1105: Mr. DAVID DAVIS of Tennessee.

H.R. 1107: Mr. PITTS.

H.R. 1111: Ms. NORTON.

H.R. 1113: Mr. ACKERMAN, Mr. MARSHALL, Mr. OLVER, Mr. DICKS, and Mr. GILLMOR.

H.R. 1137: Mr. TIAHRT.

H.R. 1187: Mr. HIGGINS, Ms. MATSUI, Mr. GRIJALVA, Mr. COHEN, Ms. LORETTA SANCHEZ of California, and Mr. MEEKS of New York.

H.R. 1192: Mr. MCINTYRE.

H.R. 1201: Mr. FILNER.

H.R. 1222: Mr. MORAN of Virginia.

H.R. 1225: Mr. MCGOVERN.

H.R. 1230: Ms. CARSON.

H.R. 1252: Mrs. LOWEY and Mrs. DAVIS of California.

H.R. 1278: Mr. ENGLISH of Pennsylvania.

H.R. 1279: Mr. MOORE of Kansas.

H.R. 1282: Mr. ORTIZ and Mr. HINCHEY.

H.R. 1293: Mr. WALSH of New York.

H.R. 1304: Mr. MCCARTHY of California, Mrs. BONO, Mr. RAMSTAD, and Mr. RENZI.

H.R. 1338: Mrs. DAVIS of California, Mrs. GILLIBRAND, and Mr. JACKSON of Illinois.

H.R. 1343: Mr. SIMPSON, Mr. FRANK of Massachusetts, Mr. BILIRAKIS, Mr. DAVIS of Kentucky, Mr. JACKSON of Illinois, and Mr. GILLMOR.

H.R. 1354: Mr. ALLEN.

H.R. 1366: Mr. BLUNT, Mr. LOBIONDO, Mr. BONNER, and Mr. THORNBERRY.

H.R. 1381: Mr. ELLISON.

H.R. 1391: Ms. SHEA-PORTER.

H.R. 1419: Mr. HONDA and Mr. PASCRELL.

H.R. 1422: Mr. KILDEE and Ms. LEE.

H.R. 1426: Mr. GENE GREEN of Texas.

H.R. 1439: Mr. TIAHRT.

H.R. 1440: Mr. MARSHALL and Mr. JEFFERSON.

H.R. 1456: Mr. ROTHMAN and Mr. HINCHEY.

H.R. 1459: Mrs. EMERSON, Mr. BUTTERFIELD, Mr. GRIJALVA, Mr. OBERSTAR, and Mr. BROWN of South Carolina.

H.R. 1461: Mr. RYAN of Ohio and Mr. FARR.

H.R. 1475: Mr. SIRES.

H.R. 1500: Mr. KUCINICH.

H.R. 1506: Mr. WALZ of Minnesota, Mr. MILLER of North Carolina, Mrs. GILLIBRAND, Mr. ISRAEL, and Mr. BISHOP of New York.

H.R. 1514: Ms. WATSON, Mr. WALBERG, and Mr. MICHAUD.

H.R. 1532: Mr. SIRES.

H.R. 1535: Mr. PASTOR.

H.R. 1537: Mr. HERGER and Mr. WYNN.

H.R. 1542: Mr. CUMMINGS and Mr. HINCHEY.

H.R. 1551: Mr. YARMUTH.

H.R. 1552: Mr. SMITH of Nebraska, Mr. WILSON of Ohio, Ms. HERSETH SANDLIN, Mr. MARKEY, and Mr. FEENEY.

H.R. 1567: Mr. WYNN and Mr. SERRANO.

H.R. 1576: Mr. DAVIS of Alabama, Mr. BOYD of Florida, Mr. KILDEE, and Mr. BRADY of Texas.

H.R. 1583: Mr. OLVER, Mr. HODES, Mr. WALZ of Minnesota, Mr. CARNEY, Mr. KAGEN, Mr. PERLMUTTER, and Mr. HOLT.

H.R. 1584: Mr. SHAYS, Mr. LOEBSACK, Mr. SOUDER, Mrs. CAPITO, Mr. WHITFIELD, Mr. ROSS, Mr. MCCARTHY of California, Mr. LUCAS, Mr. HOEKSTRA, and Mr. LATOURETTE.

H.R. 1589: Mr. ROGERS of Alabama and Mr. WOLF.

H.R. 1590: Ms. NORTON.

H.R. 1600: Ms. LINDA T. SÁNCHEZ of California, Mr. ENGLISH of Pennsylvania, and Mr. MICHAUD.

H.R. 1610: Mr. PORTER, Mr. KIND, Mr. CLAY, Mrs. BACHMANN, Mr. MCHENRY, Mr. MELANCON, Mr. AKIN, Mr. COLE of Oklahoma, and Mr. PICKERING.

H.R. 1629: Mr. DAVIS of Alabama.

H.R. 1647: Mr. GILCHREST.

H.R. 1687: Mrs. MALONEY of New York.

H.R. 1713: Mr. CROWLEY, Mr. WYNN, and Mr. SCOTT of Virginia.

H.R. 1735: Mr. PUTNAM, Mr. BILBRAY, Mrs. JO ANN DAVIS of Virginia, Mr. ROSKAM, Mr. LAMBORN, Mr. MILLER of Florida, Mr. GINGREY, Mr. ROHRABACHER, Mr. MCCARTHY of California, and Mr. HERGER.

H.R. 1738: Mr. BURTON of Indiana.
H.R. 1747: Mr. BARROW.
H.R. 1754: Mr. ABERCROMBIE, Mr. POMEROY, Mr. ROSS, Mr. WELCH of Vermont, Mr. BISHOP of New York, Mr. SIRES, Ms. HERSETH Sandlin, Ms. CLARKE, Mr. PERLMUTTER, Mr. BOYD of Florida, and Mr. COSTA.
H.R. 1776: Mr. CLAY.
H.R. 1779: Mr. TIM MURPHY of Pennsylvania.
H.R. 1781: Mr. SCOTT of Georgia, Mr. MCNULTY, Mr. WU, Ms. HIRONO, Mr. DOGGETT, Mr. GEORGE MILLER of California, Mr. BERRY, Mr. CRAMER, and Mr. PASTOR.
H.R. 1789: Mr. REICHERT.
H.R. 1845: Mr. LYNCH and Mrs. EMERSON.
H.R. 1866: Mr. PAUL, Mr. MCCAUL of Texas, Mr. PUTNAM, Mr. DOGGETT, Mr. ORTIZ, and Mr. MCHUGH.
H.R. 1921: Ms. BALDWIN.
H.R. 1932: Mr. GORDON and Mr. HARE.
H.R. 1933: Mr. MARSHALL and Mr. SCHIFF.
H.R. 1938: Mr. MOORE of Kansas and Mr. KUHL of New York.
H.R. 1940: Mr. GARY G. MILLER of California, Mr. PENCE, and Mr. JONES of North Carolina.
H.R. 1945: Mrs. LOWEY.
H.R. 1954: Ms. HERSETH SANDLIN.
H.R. 1956: Mr. KIND, Mr. DAVIS of Alabama, and Mr. SMITH of Washington.
H.R. 1957: Mr. MCDERMOTT and Mr. SPRATT.
H.R. 1960: Mr. PETERSON of Minnesota, Mr. HODES, and Mr. DAVIS of Illinois.
H.R. 1968: Mr. HONDA, Mr. JEFFERSON, Mr. MEEKS of New York, Ms. NORTON, and Ms. LINDA T. SÁNCHEZ of California.
H.R. 1971: Mr. COHEN, Mr. MCGOVERN, Mr. MCNULTY, Mr. GONZALEZ, Mr. AL GREEN of Texas, Mr. MORAN of Virginia, and Mr. RYAN of Ohio.
H.R. 1975: Ms. LINDA T. SÁNCHEZ of California, and Mr. WEINER.
H.R. 1990: Mr. ABERCROMBIE, Ms. MCCOLLUM of Minnesota, Ms. DEGETTE, and Ms. HIRONO.
H.R. 2036: Mr. BILBRAY, Mr. MARSHALL, and Mr. HONDA.
H.R. 2040: Mr. RUSH, Mr. HIGGINS, Mr. AL GREEN of Texas, Mr. JEFFERSON, Ms. JACKSON-LEE of Texas, Mr. CLAY, Mr. BUTTERFIELD, Mr. BISHOP of Georgia, Mr. BARROW, Mr. CUMMINGS, Mr. DAVIS of Alabama, Mr. GRIJALVA, Ms. CARSON, Mr. HASTINGS of Florida, Mrs. CHRISTENSEN, Mr. PAYNE, Mr. THOMPSON of Mississippi, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. SHAYS, Mr. MCCOTTER, and Mrs. EMERSON.
H.R. 2046: Mr. TOWNS and Ms. LINDA T. SÁNCHEZ of California.
H.R. 2048: Ms. BEAN.
H.R. 2051: Mr. BACA.
H.R. 2060: Mr. DEAL of Georgia and Ms. CARSON.
H.R. 2061: Ms. BERKLEY.
H.R. 2073: Mr. GERLACH.
H.R. 2086: Mr. CAMPBELL of California and Mr. POE.
H.R. 2087: Mr. JACKSON of Illinois, Mr. SHAYS, and Mr. HONDA.
H.R. 2090: Ms. HOOLEY, Mrs. MCMORRIS RODGERS, Mr. ENGLISH of Pennsylvania, and Mr. MCCOTTER.
H.R. 2102: Mr. TOWNS, Mr. LARSON of Connecticut, Ms. DELAURO, Mr. GONZALEZ, Ms. BALDWIN, Ms. ESHOO, Mrs. CAPPS, Ms. CASTOR, and Mr. RADANOVICH.
H.R. 2108: Mr. ROTHMAN.
H.R. 2111: Mr. MCGOVERN.
H.R. 2118: Mr. CLAY.
H.R. 2128: Mr. POE.
H.R. 2129: Mr. JEFFERSON, Mr. RANGEL, Ms. KILPATRICK, Mr. CROWLEY, Mr. MCHUGH, Ms. NORTON, and Mr. AL GREEN of Texas.
H.R. 2138: Mr. FARR, Mr. WAMP, Mr. SCOTT of Georgia, and Mr. HOEKSTRA.
H.R. 2144: Mrs. GILLIBRAND and Mr. MICHAUD.
H.R. 2161: Mr. DINGELL, Ms. SCHAKOWSKY, and Mr. CARNEY.
H.R. 2165: Ms. SCHWARTZ, Ms. MATSUI, Mr. RODRIGUEZ, Mr. COHEN, and Ms. DELAURO.
H.R. 2192: Mr. GONZALEZ, Mr. CONAWAY, Mr. SCOTT of Virginia, Mr. LYNCH, Mr. MOORE of Kansas, Mrs. MCCARTHY of New York, Mrs. GILLIBRAND, Mr. GILCHREST, Mr. MCDERMOTT, Mr. WAXMAN, and Mr. BRALEY of Iowa.
H.R. 2205: Mr. CAMPBELL of California, Mr. RUPPERSBERGER, Mr. SOUDER, and Mr. MCKEON.
H.R. 2208: Mr. COSTELLO and Mrs. CAPITO.
H.R. 2210: Mr. WYNN and Mr. SIRES.
H.R. 2212: Mr. ELLISON, Mr. MCDERMOTT, Mr. WELCH of Vermont, Ms. WOOLSEY, and Mr. MCGOVERN.
H.R. 2221: Mr. LARSON of Connecticut.
H.R. 2239: Ms. EDDIE BERNICE JOHNSON of Texas and Mr. CARNEY.
H.R. 2240: Mr. HOYER and Ms. NORTON.
H.R. 2244: Mr. UPTON.
H.R. 2253: Mr. MCHUGH.
H.R. 2279: Mr. WELDON of Florida and Mr. HALL of Texas.
H.R. 2280: Mr. LATHAM, Mr. MCHUGH, and Mr. WHITFIELD.
H.R. 2295: Mr. YOUNG of Florida, Mr. SMITH of Washington, Mr. DAVID DAVIS of Tennessee, Mr. SIMPSON, Mr. WOLF, Mr. CALVERT, Mr. MARSHALL, Mr. LOBIONDO, Mr. COBLE, Mr. PLATTS, Ms. LINDA T. SÁNCHEZ of California, Mr. RYAN of Ohio, and Mr. WALZ of Minnesota.
H.R. 2297: Mr. GRIJALVA, Mr. MITCHELL, and Mr. PASTOR.
H.R. 2298: Mr. MCHUGH.
H.R. 2303: Mr. TIAHRT.
H.R. 2317: Mr. SPACE and Mr. MURPHY of Connecticut.
H.R. 2327: Mr. DEFAZIO and Mr. NADLER.
H.R. 2329: Ms. BALDWIN and Mr. JINDAL.
H.R. 2351: Mr. HASTINGS of Florida and Mr. GRIJALVA.
H.J. Res. 28: Mr. BUTTERFIELD and Mr. CLAY.
H. Con. Res. 25: Mr. HASTERT and Mr. NEUGEBAUER.
H. Con. Res. 81: Mr. MARKEY.
H. Con. Res. 94: Mr. SAXTON.
H. Con. Res. 120: Mr. PERLMUTTER, Mr. WICKER, Mr. PICKERING, Mr. PAYNE, Mr. CLEAVER, Mr. WOLF, Mr. KUHL of New York, and Mr. HAYES.
H. Con. Res. 130: Mrs. CAPPS and Mr. COHEN.
H. Con. Res. 131: Mr. HENSARLING and Mr. POE.
H. Con. Res. 149: Mr. KIND.
H. Res. 37: Ms. LORETTA SANCHEZ of California, Mr. WELCH of Vermont, and Mr. UDALL of New Mexico.
H. Res. 71: Mrs. MCCARTHY of New York.
H. Res. 111: Mr. TIAHRT.
H. Res. 147: Mr. TIAHRT.
H. Res. 185: Mr. CHABOT.
H. Res. 226: Mr. LINCOLN DIAZ-BALART of Florida.
H. Res. 233: Mr. WEXLER and Mr. BROWN of South Carolina.
H. Res. 282: Mr. MCNULTY, Mr. PORTER, and Mrs. BOYDA of Kansas.
H. Res. 326: Mr. ELLSWORTH and Mr. SCOTT of Virginia.
H. Res. 329: Mr. COBLE.
H. Res. 341: Mrs. BLACKBURN.
H. Res. 351: Mr. PRICE of Georgia, Mr. MCCAUL of Texas, and Mr. DAVID DAVIS of Tennessee.
H. Res. 356: Mr. HINCHEY.
H. Res. 369: Ms. LINDA T. SÁNCHEZ of California.
H. Res. 384: Mr. TERRY and Mr. WU.
H. Res. 397: Mr. GOODLATTE.
H. Res. 401: Ms. MCCOLLUM of Minnesota, Mr. MCDERMOTT, Mr. BLUMENAUER, Mr. FORTUÑO, Ms. BORDALLO, Mrs. CHRISTENSEN, Mr. CLEAVER, Mr. HOLT, Mr. COBLE, and Mr. GRIJALVA.
H. Res. 402: Mrs. DRAKE and Ms. BORDALLO.
H. Res. 407: Mr. SARBANES.

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PROCEEDINGS AND DEBATES OF THE *110th* CONGRESS, FIRST SESSION

Vol. 153 WASHINGTON, THURSDAY, MAY 17, 2007 *No. 82*

Senate

The Senate met at 9:30 a.m. and was called to order by the Honorable JON TESTER, a Senator from the State of Montana.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

God of love and judgment, show us Your mercy and forgiveness today. Pardon us for neglecting to do right; for remaining silent when we should speak; for ignoring the whisper of conscience; for looking away from the oppressed; and for being poor stewards of Your bounty. Show us Your mercy for our failure to embrace humility, for our excessive dependence upon our wisdom, and for our reluctance to build stronger bridges of cooperation and friendship.

God of love and judgment, gently lead our lawmakers to a growth in ethical fitness that will enable them to glorify Your Name. May their moral development bear such visible fruits that people will lift praises to You. We pray in Your precious Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable JON TESTER led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, May 17, 2007.

To the Senate:

Under the provisions of rule I, Paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JON TESTER, a Senator from the State of Montana, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. TESTER thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. REID. Mr. President, this morning, following any time utilized by Senator MCCONNELL and myself, the Senate will begin consideration of H.R. 2206, the emergency supplemental legislation. There will be an hour of debate prior to a vote on the motion to invoke cloture on the Reid-McConnell substitute amendment. The time is also equally divided between the two leaders or their designees.

The cloture vote will occur around 10:45. If cloture is invoked, and we expect that it will be, the Senate will immediately agree to the amendment and then go to a vote on the passage of the legislation. Therefore, there will be 2 rollcall votes expected this morning.

Following the completion of the action on the supplemental, the Senate will begin debate on the conference report accompanying the budget resolution. Senators GREGG and CONRAD have worked on this through the entire process. They are two veteran legislators, and they understand this issue more than anyone else in the Senate and probably in the country. We will have that vote, hopefully, around 3:30, between 3:30 and 4:30 this afternoon, if all things go well. We are waiting for the House to pass it. I think they will do that around 3:30 this afternoon.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

U.S. TROOP READINESS, VETERANS' CARE, KATRINA RECOVERY, AND IRAQ ACCOUNTABILITY APPROPRIATIONS ACT, 2007

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of H.R. 2206, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2206) making emergency supplemental appropriations and additional supplemental appropriations for agricultural and other emergency assistance for the fiscal year ending September 30, 2007, and for other purposes.

Pending:

Reid/McConnell amendment No. 1123, in the nature of a substitute.

Reid/McConnell amendment No. 1124 (to amendment No. 1123), expressing the sense of the Congress that no action should be taken to undermine the safety of the Armed Forces of the United States or impact their ability to complete their assigned or future missions.

Reid amendment No. 1125 (to amendment No. 1124), expressing the sense of the Congress that no action should be taken to undermine the safety of the Armed Forces of the United States or impact their ability to complete their assigned or future missions.

Reid amendment No. 1126 (to the instructions of the motion to commit H.R. 2206), expressing the sense of the Congress that no action should be taken to undermine the safety of the Armed Forces of the United States or impact their ability to complete their assigned or future missions.

Reid amendment No. 1127 (to the instructions of the motion to commit (to amendment No. 1126)), expressing the sense of the Congress that no action should be taken to undermine the safety of the Armed Forces of the United States or impact their ability to complete their assigned or future missions.

Reid amendment No. 1128 (to amendment No. 1127), expressing the sense of the Congress that no action should be taken to undermine the safety of the Armed Forces of

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

the United States or impact their ability to complete their assigned or future missions.

The ACTING PRESIDENT pro tempore. Under the previous order, the time until 10:30 shall be equally divided and controlled by the two leaders or their designees.

Ms. KLOBUCHAR. Mr. President, I yield myself 10 minutes.

U.S. ATTORNEY INVESTIGATION

Ms. KLOBUCHAR. Mr. President, today I was shocked to read in the Washington Post that Tom Heffelfinger, the former U.S. attorney for the District of Minnesota, was among those recommended for removal by the Justice Department under Attorney General Alberto Gonzales. Tom Heffelfinger had previously been appointed U.S. attorney for Minnesota by the first Bush administration in 1991 and had the distinction of being appointed again in 2001 by George W. Bush.

During his second term as U.S. attorney, I had the privilege of working with Tom as a district attorney and chief prosecutor for Minnesota's largest county. The relationship between the U.S. attorney and the district attorney for a large metropolitan county is a very important one but also a difficult one. I can tell my colleagues this: It has been my experience that the people of this country don't care who prosecutes a case. They don't care if it is a local attorney or a State attorney or a Federal attorney. They just want us to get the job done. That was the spirit in which I worked with Tom Heffelfinger and his predecessor, B. Todd Jones, who was appointed by President Clinton.

When I was first elected in 1998, B. Todd Jones had been appointed by President Clinton. Todd Jones and I forged an excellent relationship. We spoke often about the various cases in our jurisdiction and the surrounding area, and we worked together when jurisdictional lines were blurred, deciding if a case would be prosecuted federally or locally. It is not a small thing. In other jurisdictions there are often disputes that are not in the best interests of the citizens, but we were able to forge that relationship.

I remember we made a plan early on, and that is that we were going to work together. I remember when Mr. Jones and I decided we would have a party for our joint offices, and he invited the county attorney's prosecutors over to the U.S. attorneys, and I have to tell you, there is traditionally a little bit of jealousy that goes on. The county attorneys always look at the U.S. attorneys and figure they can have less cases and fewer resources to do those fewer cases, and the U.S. attorneys may look at the county attorneys and say, oh, why can't they spend more time on a case.

So we decided we would bring the people together. I still remember when we had the party at their beautiful offices. I got there first, and I never told my office, but U.S. attorney Todd Jones got on the intercom, and before my office came over, he said: Nail down the furniture; The cousins are coming over.

Since then, we forged an amazing relationship. So when George W. Bush appointed Tom Heffelfinger as U.S. attorney—Tom Heffelfinger, of course, was a Republican; I was a Democrat—you might think there would be problems. Well, there weren't. Tom Heffelfinger basically ran the office the same way Todd Jones did, in a professional manner. Many of the same people continued to work there and, in fact, the chief deputy remained the same under both the Republican-appointed U.S. attorney and the Democrat-appointed U.S. attorney.

An example of Tom's professionalism comes to mind. When there was an armored truck robbery in the southern suburbs in our metropolitan area, the victim was killed execution style, kneeling next to a truck. It was a Brink's truck driver. The case had gone unsolved for a number of years. Tom came to my office. I want my colleagues to know he didn't have to do this. He could have had just a press conference and announced the charges, and that would be the end of it. But he came to my office weeks before the case was charged to tell me he thought they were closing in on the suspect; to tell me he knew in most cases murders were handled by our office, but that this case was going to be different. It was different because the Feds had been investigating it for a number of years, and it was different because it involved an armored truck. It was also different because it could potentially be eligible for the death penalty, and he knew I was personally opposed to the death penalty and Minnesota didn't have a death penalty. Nothing required him to come and talk to me about that case, but Tom Heffelfinger did because he had the respect for me and he had the respect for our office that you don't always see with people in government service.

Our office jointly prosecuted many cases, and when there was a jurisdictional issue, Tom and I would always talk about it. We did a number of criminally focused initiatives together. We saw our offices as partners, not as rivals, and as time went on, as the years went on, the respect between both our offices grew. As I said, each came to see each other, the people in our office, not as rivals, but as partners in justice.

This is why I am so appalled that Tom Heffelfinger was targeted for firing. I take Tom at his word—and we have talked many times in the last few months—that he had made a decision to leave the office, that he never knew he was on such a list, and he made the decision based on the fact that his wife was going to retire. But the issue is not that he made the decision on his own, the issue is that someone of such integrity as Tom Heffelfinger was ever targeted by this Justice Department for firing.

I have always believed, as a prosecutor, you do your job without fear of favor. It may not be easy, but whatever your decisions—and you know they are not going to make everyone happy, but whatever your decisions, you want to know at the end of the day that you did the right thing and that you had no regrets.

We have learned these past few months that our Nation's chief law enforcement officer, our leading guardian of the rule of law in this country, has allowed politics to creep too close to the core of our legal system. This administration has determined that Washington politicians—not prosecutors out in the field, and even perhaps in some cases not the facts themselves—would dictate how prosecutions should proceed. The consequences are simply unacceptable. Good prosecutors like Tom Heffelfinger who, by all accounts, were just doing their jobs—upholding their oaths, following the principles of their professions—we find out were targeted for firing. The new information we also received this week is while this administration repeatedly said we were only focusing on these eight prosecutors, it turned out to be 26 people who they were considering.

This is why I am asking the Justice Department today to tell us why Tom Heffelfinger, someone of such integrity, would even be on this list. I am asking our Judiciary Committee to look into the fact that this man—this good man—was even on this list.

We have seen cases all over the country now where prosecutors were pressured, where they were fired, where they were unfairly slandered by this administration. All of this, it would seem, was motivated by rank politics.

This week was Law Enforcement Week. It made me a little melancholy for my previous job. I had many police officers come in and talk to me, so many I had known and worked with, and we talked about cases. I also treasured the work that I did with prosecutors throughout our State, from the smallest counties to the U.S. Attorney's Office. This is what our justice system is about in America. It is about putting justice first. It is about doing our jobs without fear of favor.

That is why I believe this Attorney General must resign. I have been saying it for months. You simply cannot have a cloud over the Justice Department, where they can't do their jobs because they are constantly plagued by investigations and by everything that has been going on because of the brute political decisions made by this administration.

This is just wrong. I call for the resignation of this Attorney General, and I ask that the country understand what a great man Tom Heffelfinger is, that he should never have been on this list. And I will stand tall to tell the people of my State how this is a man of integrity and that I respect him very much.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, here we are once again—deja vu—debating supplemental funding for the President's disastrous misadventure in Iraq. Now in its fifth year of occupation, the U.S. death toll in Iraq is over 3,380. What a shame, shame, shame. The death toll of innocent Iraqis is largely unknown, but it probably numbers in the tens of thousands.

The United States of America has spent over $378 billion in Iraq. Do you know how much a billion dollars is? That is $1 for every minute since Jesus Christ was born. So the United States has spent over $378 billion in Iraq, and we are all familiar with the horrendous tales of waste and abuse by U.S. contractors in Iraq. The taxpayer—that is you out there—has been ravaged by the profiteering in Iraq. But even worse, despite the billions, our brave troops have been shortchanged with inadequate equipment to protect their lives and shoddy medical care, if they make it back home, to treat wounds of the body and of the mind.

Now the President has threatened to veto the House bill, which is before the Senate, because it sets a date to withdraw, provides funding until late July and ''could unreasonably burden the President's exercise of his constitutional authorities, including his authority as Commander in Chief.''

President Bush has also objected to funding for rebuilding the Gulf Coast States after Hurricane Katrina, funding to improve health care for our troops and our veterans, funding for the shortfall in the State Children's Health Insurance Program, funding for Low-Income Heating Assistance Program, and more funding for Homeland Security.

Mr. President, this President—our President—has a single-minded obsession with Iraq, and he appears to see no value in anything except continuing his chaotic ''mission impossible.'' While tilting at windmills may have been a harmless procedure for Don Quixote, Mr. Bush's war is turning the sands of Iraq blood red.

Mr. Bush raises constitutional concerns in his latest veto threat. I don't know whether to laugh or to cry. I don't no whether to laugh or to cry. I suppose one could be encouraged that constitutional concerns exist in the Bush kingdom. After setting aside the Constitution whenever convenient to justify preemptive attacks, illegal searches, secret wiretapping, clandestine military tribunals, treaty violations, kidnapping, torture, and a rejection of habeas corpus, one has to wonder about the nature of these purported ''constitutional concerns.'' If the Constitution is finally to be read, let us read it in its entirety, including the articles which give the people's representatives—that is us—the power over the purse—yes, the power over the purse; don't ever forget it. That is the real power. It gives the people's representatives the power over the purse and the power to declare war.

In its statement of administrative policy, the administration claims that the House bill before us '' . . . is likely to unleash chaos in Iraq. . . .'' Mr. President, what do we have now if not chaos in Iraq? Securing Iraq has unaccountably morphed into securing Baghdad, and even that goal eludes us. I doubt if building a wall around the green zone is going to be of much consequence in securing Baghdad, not to mention the very strange message such a wall conveys concerning our purported liberation of Iraq.

The President—our President—continues to miss the point. Iraq is at war with itself. America cannot create a stable democracy in Iraq at the point of a gun. While our troops succeeded in toppling Saddam Hussein, it is the President's profound misunderstanding of the dynamics in Iraq that have led to the failure of his Iraq policies. Why in the world should we now believe the claims that he makes in his veto threat?

There must be an end to this occupation of Iraq. Yes, I say occupation for it is no longer a war in which U.S. troops should be involved. Our troops won the war they were sent to fight, and they should not now be asked to serve as targets in a religious conflict between Sunni and Shiites that has raged for thousands of years. It is reported that even a majority in the Iraqi Parliament now supports legislation which demands a scheduled withdrawal and an immediate freeze on the number of foreign soldiers in Iraq.

In April, Congress set a new course for the war in Iraq. Sadly, the President—our stubborn, uncompromising President—chose to veto that bill. As we prepare to go to conference again, the President continues—our President—to close his eyes and cover his ears to the reality in Iraq, and the urgent need for a new direction. Whatever decision is made in conference will not be the last chapter in this sad story. God willing, this Senator will not close his eyes, nor will he cover his ears, nor will I stand by in silence. Hear me.

We need to conclude this terrible, awful mistake that we have made in Iraq. I said in the beginning that we ought not go into Iraq. But we are there. Anti-Americanism is more robust now than in any period in our history because of Iraq. Do you hear that? The international community is skeptical—why should they not be? They are skeptical of U.S. intentions because of Iraq. Our Constitution has been trampled—hear that. Our Constitution has been trampled because of Iraq. Thousands of U.S. troops and Iraqi citizens have lost their lives because of Iraq. Thousands more are maimed physically or mentally because of Iraq. Billions of U.S. dollars have been wasted because of Iraq.

President Bush has lost all credibility. President Bush, our President, has lost all—all—credibility because of Iraq.

Terrorism is on the rise worldwide because of Iraq. May God grant this Congress—that is, us—may God grant this Congress the courage to come together and answer the cries of a majority of the people who sent us here. Find a way to end this horrible catastrophe, this unspeakable—unspeakable—ongoing calamity called Iraq. May God help us in the United States.

Mr. FEINGOLD. Mr. President, I cannot support the procedure that the majority and minority leaders have concocted to speed a supplemental spending bill to conference without debate or amendments—and without even writing the actual bill. I share the desire of my colleagues to pass this important bill as soon as possible. But that is no excuse for us avoiding our responsibilities as legislators. Passing a symbolic resolution is not an acceptable alternative to writing, considering and working to improve legislation that provides tens of billions of dollars for a broad range of programs and that addresses the most pressing issue facing the country—the President's disastrous policies in Iraq.

When it comes to legislation as important as this, we need full debate and votes. We can do this quickly—I am prepared to have this debate and consider amendments right away, and to stay as long as it takes to get it done. But we should do it openly and on the record. The votes we had yesterday on Iraq amendments to an unrelated bill are no excuse for bypassing the regular legislative process today.

I admit, it is easier and quicker if we just send a placeholder bill to conference, so that the real work can be done there. But we do a disservice to our constituents, and to this institution, by passing the buck like that. The American people are calling on us to end the war in Iraq. They deserve to see this debate, even if it slows us down by a few hours. They deserve to know where their Senators stand, and which amendments they support. A decision about whether to continue our involvement in this misguided war should be made in open debate, not behind closed doors—particularly since neither house will have the opportunity to amend whatever final legislation emerges from conference.

The first supplemental that Congress recently passed was a step forward toward ending this war. I am concerned that the bill that emerges from the upcoming conference, thanks to this expedited procedure, will be a step back. Passing a weak supplemental bill that expresses disapproval of the President's policies but doesn't do anything to fix them may make some of us feel better. But this debate should not be about providing political comfort for folks here in Washington. It is about responding to the wishes of the American people and the needs of our national security. And it should take place on the Senate floor, before the American people, right here, right now.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. OBAMA). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, yesterday, the Senate held two important votes: one on the Feingold amendment, which called for transitioning the mission; and on the Warner amendment, which would require the President to certify the Iraqi Government is meeting benchmarks in order to receive United States aid.

I supported the Feingold amendment, which provides a real change of direction and course out of the war. I opposed the Warner amendment because, after more than 4 years of war, 3,400 American deaths, almost 30,000 wounded, and more than $500 billion—almost arriving at $1 trillion dollars in taxpayer dollars spent—we need action, not more reports, especially those without consequences.

Yet, while I supported one vote and opposed the other, I am encouraged by both. They show real and growing momentum on both sides of the aisle to move away from this tragic, endless war. As the Los Angeles Times reported this morning:

The votes illustrated Congress' dramatic response to public dismay with the war.

As CNN's Dana Bash said:

It was a milestone in the Iraq war debate. For the first time, the vast majority of the President's fellow Republicans voted to directly challenge his Iraq policy.

It is no wonder a broad bipartisan consensus for change is emerging. We are well into the fourth surge of U.S. forces since the start of the war, yet April was one of the deadliest months in the entire war, and attacks on our troops show no sign of decreasing. The Iraqi Government has failed to adopt an oil law, a law on de-Baathification, or any further constitutional amendments they are required to implement.

Iraqi Prime Minister Maliki is accused of sabotaging efforts of peace and stability by firing some of the top law enforcement officials for doing too good a job of combating violent Shiite militias.

Conditions are so chaotic, according to a report this morning by the Chatham House Research Institute—which is a respected institute in England—they say the Iraqi Government is:

. . . on the verge of becoming a failed state with internecine fighting and a continual struggle for power threatening the nation's very existence.

The U.S. mission grows further and further disconnected from our strategic national interests. Instead of focusing on force protection, hunting down al-Qaida and other terrorists, and training the Iraqi military—missions that will make us more secure, help the Iraqi people, and reduce our troops' exposure to sectarian violence—United States forces, as we speak, are patrolling Baghdad streets, extremely vulnerable to snipers, kidnappers, and these explosive devices which have become so well-known over there.

Our brave fighting forces have done everything we have asked of them, and even more. Every day we debate the war, our troops remain in harm's way. The overwhelming veto-proof bipartisan majority of the Senate is now on record saying the status quo is unacceptable.

With that reality as a backdrop, this morning we will vote for cloture on Senator MURRAY's sense-of-the-Senate resolution that will move us to conference on the emergency supplemental bill and the important negotiations that will take place in the near future on the Iraq situation.

Last evening, I spoke to the father of one of the hostages in Iraq. He lives in Reno, NV. We talked, and it was difficult. He loves his son, he prays for his son's return, as we all do. We talked about how we have hope that he is alive.

I urge all my colleagues to support the resolution we are going to vote on. We can all agree we need to move swiftly to the supplemental bill that fully funds our troops. We all agree we can't ''stay the course.'' That is not an option, as President Bush has done for more than 4 years.

As we move this debate to conference, the American people deserve to know that the Democrats' commitment to bring this war to a responsible end has never been stronger. If enough of our Republican colleagues decide to join with us, even the President will have to listen.

Mr. President, it is my understanding the parliamentary issue before this body is a vote that will occur at 10:30; is that right?

The PRESIDING OFFICER. At 10:35.

Mr. REID. At 10:35. And at 10:35, because the leaders used some of their time?

The PRESIDING OFFICER. That is correct.

Mr. REID. Mr. President, I think it would be in the best interest of the Senate if we go ahead and start the vote. I have not had an opportunity to check with the minority, so I don't want to move to do that before I do so. We will know that in a minute. But it would probably be better if we got the vote started, if there is no one here to speak in the next 5 minutes.

I think we will go ahead and start the vote, and if somebody is concerned about the extra 5 minutes, then we will extend the time an extra 5 minutes. I ask that we proceed with the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

CLOTURE MOTION

Under the previous order, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will report.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the Reid-McConnell amendment No. 1123 relating to Iraq to H.R. 2206, the Emergency Supplemental Appropriations Act.

Harry Reid, Debbie Stabenow, Daniel K. Inouye, Jon Tester, Bill Nelson of Florida, Jeff Bingaman, Barbara Boxer, Patty Murray, Frank R. Lautenberg, Benjamin L. Cardin, Tom Carper, Charles Schumer, Maria Cantwell, Carl Levin, Daniel K. Akaka, Ted Kennedy, Amy Klobuchar.

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call has been waived.

The question is, Is it the sense of the Senate that debate on amendment No. 1123, offered by the Senator from Nevada and the Senator from Kentucky, expressing the sense of the Congress that no action should be taken to undermine the safety of the Armed Forces of the United States or impact their ability to complete their assigned or future missions, shall be brought to a close?

The yeas and nays are mandatory under the rule. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. JOHNSON) is necessarily absent.

Mr. LOTT. The following Senators are necessarily absent: the Senator from Oklahoma (Mr. COBURN), the Senator from North Carolina (Mrs. DOLE), the Senator from Arizona (Mr. MCCAIN), and the Senator from New Hampshire (Mr. SUNUNU).

The PRESIDING OFFICER (Mr. BROWN). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 94, nays 1, as follows:

[Rollcall Vote No. 171 Leg.]

YEAS—94

Akaka	Dodd	Martinez
Alexander	Domenici	McCaskill
Allard	Dorgan	McConnell
Baucus	Durbin	Menendez
Bayh	Ensign	Mikulski
Bennett	Enzi	Murkowski
Biden	Feinstein	Murray
Bingaman	Graham	Nelson (FL)
Bond	Grassley	Nelson (NE)
Boxer	Gregg	Obama
Brown	Hagel	Pryor
Brownback	Harkin	Reed
Bunning	Hatch	Reid
Burr	Hutchison	Roberts
Byrd	Inhofe	Rockefeller
Cantwell	Inouye	Salazar
Cardin	Isakson	Sanders
Carper	Kennedy	Schumer
Casey	Kerry	Sessions
Chambliss	Klobuchar	Shelby
Clinton	Kohl	Smith
Cochran	Kyl	Snowe
Coleman	Landrieu	Specter
Collins	Lautenberg	Stabenow
Conrad	Leahy	Stevens
Corker	Levin	Tester
Cornyn	Lieberman	Thomas
Craig	Lincoln	Thune
Crapo	Lott	
DeMint	Lugar	

Vitter	Warner	Whitehouse
Voinovich	Webb	Wyden

NAYS—1

Feingold

NOT VOTING—5

Coburn	Johnson	Sununu
Dole	McCain	

The PRESIDING OFFICER. On this vote, the yeas are 94, the nays are 1. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

Under the previous order, all other amendments and motions are withdrawn, and the substitute amendment is agreed to.

The amendment (No. 1123) was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

The bill (H.R. 2206), as amended, was passed, as follows:

H.R. 2206

Resolved, That the bill from the House of Representatives (H.R. 2206) entitled ''An Act making emergency supplemental appropriations and additional supplemental appropriations for agricultural and other emergency assistance for the fiscal year ending September 30, 2007, and for other purposes.'', do pass with the following amendment:

Strike out all after the enacting clause and insert:

Since under the Constitution, the President and Congress have shared responsibilities for decisions on the use of the Armed Forces of the United States, including their mission, and for supporting the Armed Forces, especially during wartime;

Since when the Armed Forces are deployed in harm's way, the President, Congress, and the Nation should give them all the support they need in order to maintain their safety and accomplish their assigned or future missions, including the training, equipment, logistics, and funding necessary to ensure their safety and effectiveness, and such support is the responsibility of both the Executive Branch and the Legislative Branch of Government; and

Since thousands of members of the Armed Forces who have fought bravely in Iraq and Afghanistan are not receiving the kind of medical care and other support this Nation owes them when they return home: Now, therefore, be it

Determined by the Senate (the House of Representatives concurring), that it is the sense of Congress that—

(1) the President and Congress should not take any action that will endanger the Armed Forces of the United States, and will provide necessary funds for training, equipment, and other support for troops in the field, as such actions will ensure their safety and effectiveness in preparing for and carrying out their assigned missions;

(2) the President, Congress, and the Nation have an obligation to ensure that those who have bravely served this country in time of war receive the medical care and other support they deserve; and

(3) the President and Congress should—

(A) continue to exercise their constitutional responsibilities to ensure that the Armed Forces have everything they need to perform their assigned or future missions; and

(B) review, assess, and adjust United States policy and funding as needed to ensure our troops have the best chance for success in Iraq and elsewhere.

The PRESIDING OFFICER. Under the previous order, the Senate insists on its amendment and requests a conference with the House, and the Chair is authorized to appoint conferees.

The Senator from Pennsylvania is recognized.

IMMIGRATION

Mr. SPECTER. Mr. President, I have sought recognition to comment about the pending efforts to structure a comprehensive immigration reform bill. There are many questions which are being asked today in the corridors by members of the media as to what is happening on the efforts to structure a bill to come before the Senate next week, where a cloture vote is scheduled for Monday afternoon to proceed. The efforts to structure legislation have been in process now for 3 months. There have been approximately 30 meetings held for durations customarily of 2 hours or longer, customarily attended by 8, 10, or 12 Senators. It is unusual to have a dozen Senators sit still in a room for 2 hours, but that has happened repeatedly as we have struggled through the very complex issues while trying for comprehensive immigration reform.

We have bypassed the Judiciary Committee in this effort. Perhaps it was a mistake. In the 109th Congress, we laboriously worked through and produced a bill which came to the Senate floor and which was ultimately passed. There is a great deal to be said for regular order, where we have a text, amendments are proposed, there is debate, there are votes, and we move ahead through the committee system. The decision was made early on not to utilize regular order in the traditional committee system, and it may well have been an error, as we have been struggling to come to terms with a consensus.

First, there were extensive meetings with Republicans alone. Democrats met separately. Then there have been the bipartisan meetings, as we have struggled to come to terms. The meetings have virtually gone round the clock. The staff has literally worked round the clock, the past weekend, both Saturday and Sunday, and the previous weekend. The administration has been dedicated; the President has been personally involved in the discussions. A group of us met with the President yesterday. Immigration was discussed. The administration has devoted the time of the Secretary of Homeland Security and the Secretary of Commerce, who have been parties to these lengthy meetings, always present for the duration of the session. We think we are coming very close, but as we move through the analysis and discussion, it has been apparent that no matter what legislation is produced, it will be unsatisfactory to both ends of the political spectrum.

The bill has already been criticized for being too lenient on undocumented immigrants and providing amnesty at one end of the political spectrum. It has been criticized at the other end of the political spectrum for not being sufficiently humanitarian and compassionate to the immigrants. Even though we have yet to produce a bill, it has been subjected to criticism. We have found that around the country some 90 cities have been engaged in legislative efforts with either passed or rejected laws trying to deal with immigrants' landlords. In my State, the city of Hazleton is trying to deal with the issue. Recently, we had a conspiracy by six men charged with a terrorist plot to attack the soldiers at Fort Dix. Three of those who have been charged are undocumented immigrants from Yugoslavia, illegal immigrants. There has been a virtual breakdown of law and order, as we have in this country an estimated 12 million undocumented immigrants.

We have the criticism expressed at one end of the political spectrum that there is amnesty here. That is factually wrong. Those who will be placed at the end of the citizenship line will be those who do not have criminal records. Where we can identify those with criminal records, they should be deported. You can't deport 12 million undocumented immigrants who are here illegally, but you can deport those who have criminal records. Those who will be placed at the end of the line for citizenship will be those who have paid their taxes, those who have established a good work record, those who were contributing in a constructive way to the American way of life.

When objections are raised as to amnesty, the question is returned: What more can be done with these 12 million undocumented immigrants? What more hurdles can be placed to be sure we do the maximum to avoid the charge of amnesty? We are still open for suggestions. But the consequence of not moving to a solution on this issue is that we have anarchy. We have uncontrolled borders.

The legislation we are working on goes a long way. It increases the number of Border Patrol officers from 12,000 to 18,000. It will have 200 miles of vehicle barriers and 370 miles of fencing, 70 ground-based radar and camera towers, unmanned aerial vehicles, and detention space to hold some 27,500 daily on an annual basis. We have interior security provisions. We have tough employer sanctions because we are structuring a system where we can make a positive identification as to who is legal and who is illegal. This is an appropriate basis for imposing tough sanctions on employers if they hire illegal immigrants, because they are in a position to make a determination as to who is legal or who is illegal.

At the other end of the political spectrum, there are objections that the

program is not sufficiently humanitarian, not sufficiently compassionate, and does not sufficiently provide for family unification. If we are to handle the backlog of people who have been waiting to come into this country with the existing requirements to gain citizenship, and if we are to deal with the millions of undocumented immigrants, we will have to have additional green cards. But there will have to be limitations so we do not have what is euphemistically referred to as chain immigration.

We are working on a points system which we are trying to balance. It is very hard to satisfy all competing interests, to balance the demand for Ph.D.s and highly skilled people with the desire to provide opportunities for people who are not highly skilled. Certain points are being given to recognize the family, to have as many family members and as much on family reunification as we can, within a balanced system.

The old adage that the devil is in the details is obviously present here. This morning one group of Senators met at a little after 9; another group of Senators met at 10:15. We are continuing the meetings as we try to come to grips and resolve these issues.

The whole immigration issue is another third rail in politics. Social Security has been described as the third rail of our political system. There is no doubt that immigration is another third rail. It may supplant Social Security as the third rail of the political system because, no matter what we do here, both ends of the political spectrum will criticize us—criticize us for amnesty on one hand, criticize us on the other end of the political spectrum for not being sufficiently compassionate. Politically, it is a loser for those who are engaged in it. But we have a public duty to come to grips with this issue and to have comprehensive immigration reform. We can do that and insist on having border patrols and employer sanctions before we work through the guest worker program. It is truly, as we are structuring it, a temporary worker program, where people come to the United States for a period of time and go back to their native countries. It is a system where we are giving as much support and as much preference for families as we can on a balanced system, and as much to the high-skilled workers to balance off against the low-skilled workers.

The most important thing, as I see it, is to move ahead and persevere, to try to structure a bill which is now 380 pages long—it is in text, thanks to the dedicated work of the staff—and to present it on the floor of the Senate and have the Senate work its will. Aside from the political perils, the object is to restore the rule of law and to bring these 11 to 12 million undocumented immigrants out of the shadows. The advantage to society generally is to eliminate this massive underclass, this massive number of individuals who are in the shadows, and to structure a system where they will, at the outset, have visas to stay here for as long as they like, so long as they comply with our laws and get into the citizenship line at the rear. We are looking to reestablish the rule of law and to avoid the anarchy which now characterizes our immigration system.

I thank the Chair, yield the floor, and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. CONRAD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2008—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Senate will begin debate on the conference report to accompany S. Con. Res. 21.

Under the previous order, the time until 3 p.m. shall be equally divided between the Senator from North Dakota, Mr. CONRAD, and the Senator from New Hampshire, Mr. GREGG, or their designees.

The Senator from North Dakota.

Mr. CONRAD. Mr. President, I ask unanimous consent that all quorum calls be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. Mr. President, we bring to the floor the conference report on the budget. It is a conference report that I believe is worthy of our support. Let me say why.

Under this budget plan, we will balance the budget in 5 years. In the fifth year, 2012, we will have, according to the projections, a $41 billion surplus. This is after 6 years of deficit, and in an additional 4 years, we will finally be returning to balance.

The budget resolution we bring to the floor will reduce spending as a share of gross domestic product each and every year, from 20.5 percent in 2008 down to 18.9 percent in 2012. It is that spending discipline that helps us reach balance in the fifth year. It also has the positive effect of bringing down the debt as a share of our gross domestic product in every year after 2010. This is gross debt. If we looked at publicly held debt, it will actually be bringing it down every year from 2009 on. So I believe this is a responsible budget that returns us to a fiscally responsible approach to our Nation's spending.

Some have said there is a big difference in spending between this budget and the President's budget. We have put it on a chart to visually compare over the 5 years the difference in spending in this proposal and what the President proposed.

As you can see, there is virtually no difference—virtually no difference—in spending between this proposal and the President's spending proposal. Yes, it is slightly more spending, but this slight addition is going for veterans health care, to expand children's health care, and to provide further investment in education. Those are the fundamental places where we have modest additions to spending.

As you can see, on a fair comparison basis, when you put the two spending lines together on the same axis, comparing apples to apples, you see the difference in spending is quite modest.

On the revenue side, we have included a 1-year fix to the alternative minimum tax, the old millionaire's tax. It is rapidly becoming a middle-class tax trap. If we had not acted, over 23 million people would be caught up by the alternative minimum tax in this next year. We have avoided that, providing dramatic tax relief to those people.

We also extend the middle-class tax cuts in this proposal. That includes continuation of marriage penalty relief, the child tax credit, and the 10-percent bracket. These provisions will benefit tens of millions of the American taxpayers.

We also include estate tax reform. It is well known under the current estate tax law, we will go to a $3.5 million exemption per person in 2009. Then there is no estate tax in 2010. Then we go back to an estate tax in 2011 that provides only $1 million of exemption per person or $2 million for a couple. Instead of having that anomalous situation, we will continue providing a $3.5 million exemption per person or $7 million for a couple indexed for inflation. I think that makes common sense.

Now, we have heard from some there is a big tax increase in this budget. There is no tax increase in this budget. Let me reemphasize that. There is no assumption of a tax increase in this budget. I do not know what I could say to be more clear.

Here, shown on this chart, is what the President said his budget would produce in revenue over the 5 years. This is the President's own estimate of what his budget would produce. He said his 5-year budget would produce $14.826 trillion of revenue over the 5 years. That is according to the scoring by his own Office of Management and Budget.

Our budget produces $14.828 trillion of revenue over the 5-year period. There is virtually no difference between what the President claimed his budget would produce in revenue and what our budget produces in revenue.

Now, our friends on the other side will be swift to say: Wait a minute, Senator, you are using Office of Management and Budget estimates and CBO estimates, two different estimates. That is true. The point I am making is the President said it was entirely reasonable to expect to raise $14.826 trillion of revenue over this 5 years. That is his own estimate of what his budget would produce. CBO says our budget would produce $14.828 trillion—a $2 billion difference on a $15

trillion base. That is statistically the same. If you put them both on a CBO baseline—in other words, have estimates done for both the President's revenue and our revenue by the CBO—we have 2 percent more revenue than the President—2 percent. We believe 2 percent can be achieved with no tax increase of any kind.

Let me reemphasize that. We believe, if you look at the CBO scoring that says we have 2 percent more revenue than the President, that can be achieved without any tax increase of any kind. I will explain why in a moment. If you look at what is shown on this chart, this is a 5-year budget. But all of us know we are going to write another budget next year, so what matters is next year.

Here shown on the chart is the revenue line in our budget and the President's revenue line. You will notice they are identical. There is no difference—none—not a penny, not a dime. In 2009, there is virtually no difference in the two.

So let's be serious. When somebody jumps up here and says this is the biggest tax increase in history, the only way that is possibly true is if the President has proposed the biggest tax increase in history. Because there is, for next year—and we will write another budget next year—for next year, there is no difference in the revenue in our proposals.

How can it be we could get 2 percent more revenue under the CBO scoring than the President proposes without a tax increase? How is that possible? Well, first of all, we have the tax gap, which back in 2001 was estimated to be $345 billion a year. I believe that tax gap now is in the range of $400 billion a year. That is the difference between what is owed and what is paid. I believe that is now $400 billion a year or thereabouts. Over 5 years that would be more than $2 trillion—money that is owed that is not being paid. But that is not the only source of revenue without a tax increase.

The second area of opportunity to get revenue with no tax increase is the explosion and the abuse of offshore tax havens. I have shown this building down in the Cayman Islands many times on the floor. This 5-story building is the home to 12,748 companies. It is remarkable that all of those companies—12,748—are doing business in this little 5-story building, but that is what they claim. Are they really doing business down there? The only business being done out of this building is monkey business because what they are doing is engaging in an enormous tax scam. They claim they are doing business down there because they don't have any taxes down there. So how does it work? It is a giant shell game.

They have entities in the United States that they say are making no profits, because they move the money offshore into these Cayman Islands subsidiaries where there are no taxes, and all of a sudden they show enormous profits. Who is being fooled by this? Shame on us if we are being fooled. But currently, we are. I would suggest we close down this scam.

The Permanent Subcommittee on Investigations has said we are losing $100 billion a year through these offshore tax havens. Let me quote from their report from earlier this year:

> Experts have estimated the total loss to the Treasury from offshore tax havens alone approaches $100 billion a year, including $40 to $70 billion from individuals and another $30 billion from corporations engaging in offshore tax evasion. Abusive tax shelters add tens of billions of dollars more.

Mr. President, $100 billion a year in tax havens, and tens of billions more——

Mr. DORGAN. Mr. President, will the Senator yield for a question?

Mr. CONRAD. I am happy to yield to the Senator.

Mr. DORGAN. Mr. President, I was listening to the description of these offshore tax havens. Senator CONRAD and I have worked on these issues for some while. It is interesting, with respect to the revenue stream into this country, that if we close down some of these tax shelters, the result would be increased revenues for the Federal Government and a requirement that those who benefit from the opportunities of being an American company, that they would start paying taxes.

Now, we have had example after example—the Senator used a chart showing a building called the Ugland House, a quiet little 4-story building on Church Street in the Cayman Islands which 12,748 corporations call home. Of course none of them are home there. If you go there—there is an enterprising reporter named David Evans who worked on that particular issue. He went there, and there is nobody there. There are just some windows in a building, and it is quiet in the lobby. Nothing is going on. This is a legal fiction created by lawyers for the purposes of allowing companies to avoid paying their U.S. taxes. It is not just that building, though. That building is an example of the unbelievable abuse of the creation of massive offshore tax shelters. There are hundreds and hundreds of tax shelters.

I asked the Senator to yield to make a point. When I chaired the hearings on the Enron scandal, when I had Ken Lay come by and raise his hand and take an oath and then refuse to testify, and then Jeffrey Skilling, whom you couldn't hardly get to stop talking—he is now in prison. But the fact is, the Enron Corporation, in addition to all of the other things—and part of that we understand now is a criminal enterprise; the evidence exists for that—in addition, they have hundreds of offshore entities. Why? For the purpose of avoiding taxes. That is the purpose of offshore entities and tax havens.

No one runs to these countries like the Cayman Islands for the purposes of creating a big manufacturing plant and saying: That is where we want to move our business. It seems to me what they do is they hire a lawyer to create a legal fiction saying: We now want to be a resident of a tax-haven country because we don't like the obligation of paying taxes to the Federal Government.

I would just ask the Senator, isn't it the case that the Senator's proposition, and mine, the one I have introduced with legislation, is very simple? It says: If you are going to be an American company, why don't you simply decide to pay taxes to this country? If you move your operation somewhere else, we understand that. We don't support that—there ought not be a tax incentive for it—but if you are creating a legal fiction through lawyers telling us you are moving, we are going to treat you for tax purposes as if you were right here, an American company that is required to pay its appropriate taxes.

I know the Senator is probably also going to talk about the sale and leaseback of sewer systems and trolley cars and all the nonsense that is going on. I would just commend Senator CONRAD for doing this, for finally saying in this budget that we are going to shut all this down. Those of you who want to get the revenue in order to move us toward fiscal sanity here, if you really want to help us get the revenue, then join us in shutting these tax scams down, shutting down these tax havens.

I am sorry I took more time for this lengthy question, which turns out not to be much of a question after all, but I did want to point out that I believe this is a very important part of this budget agreement, and I commend Senator CONRAD and those who have put this together because this significantly benefits our country.

Mr. President, I appreciate the Senator yielding.

Mr. CONRAD. Mr. President, first of all, in answering the question of the Senator, I would say what you find is quite stunning. We went on the Internet, I would say to my colleague—first of all, I thank him because the picture of this building down in the Cayman Islands came from him. I have used it repeatedly because it tells such a powerful story: 12,748 companies that call this little building home. We know what is going on. It is a giant scam.

I would say to the Senator, we went on the Internet and we entered in ''offshore tax planning.'' Do you know how many hits you get if you enter in that phrase? You get 1.2 million hits. Here is my favorite. If you go online and you look at what is on the Internet——

Mr. GREGG. Mr. President, would the Senator yield for a question at this point in relationship to the Senator's question?

Mr. CONRAD. I am happy to yield.

Mr. GREGG. Mr. President, the New York Times today was reviewing the financial statements of the candidates for President, and I noticed that the former Senator from North Carolina who is running for President, John Edwards, received half a million dollars

in payments last year for his work with Fortress, a hedge fund. I also noticed that the New York Times represents that the Fortress hedge fund is incorporated in the Cayman Islands, probably in that building to which you are referring.

I am just wondering, because the Senator asked who is being fooled here, is it the position of the Senator from North Dakota that Senator Edwards has been fooled here or that he is fooling the American people?

Mr. CONRAD. Look, I do not know what the status of that particular hedge fund is. What I do know is these offshore tax havens are being abused by lots of different entities, not only corporations but wealthy individuals. I don't have any evidence which would suggest that particular hedge fund did anything improper, and certainly you can be engaged in business in the Cayman Islands and not be engaged in anything improper.

The point we are making is that in this particular building, there are 12,700 companies calling it home. But more than that, when you go on the Internet—and by the way, we have yet to see the financial reports of some of the Republican candidates for President, some of whom report they have net worth over $100 million. It will be interesting to see their financial arrangements, and I hope the Senator will be just as focused on any abuse that might be in their portfolios. That will be very interesting.

Mr. DORGAN. Mr. President, will the Senator yield?

Mr. CONRAD. I am happy to yield.

Mr. DORGAN. Mr. President, that was a clever question from our colleague from New Hampshire. I would observe that the discussion I just had about the Enron Corporation—I think the largest financial supporter of the current occupant of the White House for his first run for the Presidency—it was a corporation that had hundreds of offshore tax-haven subsidiaries. It is also the case that it is not new for us to try to shut these down. As we have tried to shut these down, it is not new, either, to find that the current White House by and large opposes the legislation on the floor of the Senate to shut down these tax scams.

I hope that perhaps we can get some support to do what Senator CONRAD and I and others believe ought to be done, to shut down these kinds of tax scams.

Mr. GREGG. Mr. President, if the Senator would yield for a further question.

Mr. CONRAD. Mr. President, reclaiming my time, I will be happy, when I have completed my presentation—the Senator has half the time, and I know he will use it well. I hope he will give me the opportunity to complete my presentation, and then I am happy to answer all of his questions.

Mr. President, when you look on the Internet—this is my favorite one:

Live tax free and worldwide on a luxury yacht. Moving offshore and living tax free just got easier.

That is the kind of scam which is going on that is costing the Treasury of the United States, according to our own Permanent Subcommittee on Investigations, over $100 billion a year.

It doesn't stop there. This is a picture of a sewer system in Europe. What does a sewer system in Europe have to do with the budget of the United States? Well, as it turns out, it has a lot to do with it because this sewer system in Europe was actually purchased by wealthy U.S. investors, depreciated on their books for U.S. tax purposes, and then leased back to the European city in which it is actually located. It has no business purpose. There is only one purpose, and that purpose is to operate as a scam. This is the kind of thing which should be shut down. Nobody can justify this. Nobody can defend this. That is what is going on.

So I believe the combination of closing the tax gap, just a tiny portion of it, combined with shutting down these offshore tax havens, combined with shutting down these abusive tax shelters, could easily provide the 2 percent of revenue we have that is over and above the President, according to a Congressional Budget Office score, with no tax increase to anyone.

The budget conference report we bring to the floor also funds a number of critically important priorities for the American people, including expanding health care coverage for children. When you look at the comparison, the President has provided $2 billion for this purpose over the 5 years. We provide $50 billion so that there is the prospect of covering every child in America who is not otherwise covered with health insurance. That is good policy, it is a good investment, and it is morally right. We ought to ensure that every child in America has health care coverage. It is good policy because if you solve a health care problem for a child, you get a return on that investment for their lifetime.

Another area that has been a priority in this budget is education. Under this budget, we provide some $6 billion in this next year over and above what the President provided because we think education is the future. If we are not world class in education, we are not going to be a world-class power. So we have provided that additional investment in education.

The third area of initiative is in veterans health care. If there is any scandal that I think has troubled the American people more than what we saw at Walter Reed where heroes returning from Iraq and Afghanistan have been subjected to subpar medical treatment, I don't know what it is. I don't know of anything that has so angered so many people, at least in my constituency. So we have adopted a budget here that closely follows the independent budget which is put forward by the veterans organizations themselves which provides for $43.1 billion in funding in the next fiscal year, compared to the President's $39.6 billion.

To recap, the budget resolution we bring to the floor, the conference report, puts the Nation back on a sound fiscal path. It balances by 2012 with a $41 billion surplus in 2012. It reduces spending as a share of gross domestic product each and every year of the 5 years of the budget. It reduces debt as a share of gross domestic product from 2010 on. It adopts spending caps and restores a strong pay-go rule. What is pay-go? Pay-go simply says that if you want to have more mandatory spending or more tax cuts, you can have them, but you have to pay for them, and if you don't pay for them, you have to get a super-majority vote.

This budget also meets the Nation's priorities. It fully funds the President's defense and war cost requests. It rejects the President's cuts in certain key priority areas. It provides increases for children's health, for education, and for our veterans health care, an area in which the American people overwhelmingly want us to invest.

In addition, this budget resolution keeps taxes low. It extends specifically the middle-class tax relief provisions, including marriage penalty relief, the child credit, and the 10-percent bracket. It provides alternative minimum tax relief so that more and more middle-class people don't get swept up in that tax. It provides for fundamental estate tax reform. It includes the deficit-neutral reserve funds for additional tax relief and for the extension of other expiring provisions. It includes no assumption of a tax increase.

This budget also prepares for the long term. It provides for program integrity initiatives to crack down on waste, fraud, and abuse in both Medicare and Social Security. It includes health information technology and comparative effectiveness reserve funds to address rising health care costs. According to the Rand Corporation, widespread health information technology alone could save $81 billion a year. It also adopts a new budget point of order against long-term deficit increases.

I will conclude by saying this budget has specific proposals addressing our long-term fiscal challenge. It provides program integrity initiatives to crack down on waste, fraud, and abuse. It provides new mandatory spending, and tax cuts must be paid for in the pay-go provision. It provides that long-term deficit increase face a point of order, a super-majority hurdle on the floor of the Senate. It provides for the health information technology reserve fund. I have already indicated that the Rand Corporation indicates that health information technology could save $81 billion a year. Finally, it includes the comparative effectiveness reserve fund, so that we look at the technologies and approaches being used across this country on how we could save money by using the best practices in health care.

We think this is a responsible budget, one that meets the needs of the American people. We believe it merits our colleagues' support.

Before I yield the floor, I want to thank my colleague, Senator GREGG. I acknowledge that we have differences about this budget. That is healthy. That is the strength of our democracy, that we have a debate and differences. But I wish to say that Senator GREGG has always conducted himself as a professional and has been extremely helpful as we have gone through the process. He and his staff have cooperated with us closely, while they have disagreed very strongly with respect to some of the conclusions we reached. I wish to acknowledge the way in which he and his staff have conducted themselves as we have gone through this difficult process. I thank him for the many courtesies he has extended to us as we have gone through the budget resolution this year.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. GREGG. Mr. President, let me begin by returning that appreciation to the Senator. Obviously, there are strong disagreements on philosophy and policy, the differences between the parties. The Senator from North Dakota represents the party of tax-and-spend, and we represent the party of fiscal responsibility. Those differences are clear. Independent of those differences, the relationship is friendly, courteous, and generally cooperative. I believe that if the entire institution functioned the way the Budget Committee functions, we would get a lot more done around here.

That being said, I must point out some differences. I am inclined to almost use the—to paraphrase a quip made by, I think, Mark Twain, but it might have been Bill Buckley, who said:

> I do not wish to insult the Senator's intelligence by suggesting that he actually believes most of what he just said.

The fact is that this budget, as proposed, is not a good one. It has in it the largest tax increase in history. It is a tax increase that is especially unfortunate because it is going to take place in the context of a tax law that we finally got right around here, as shown by the revenues flowing into the Federal Government, and the fact that present tax law is generating more revenues than, historically, the Federal Government has received and is doing it in a more progressive way than has historically been done. High-income people are paying more than they have historically paid, and low-income people are getting more back in the way of tax benefits than they have historically gotten.

This bill will basically repeal most of the major tax proposals put in place in the early part of this administration which generated this economic recovery which has gone on for 22 months and has caused us to have 7.4 million jobs created. In fact, the report just came out that the jobs number fell another 5,000, so that we are literally under 300,000 in jobs claims, which is a number that shows we are even essentially at full employment. As a nation, we are under 4.4 percent unemployment. The jobs being created are good jobs, and they are generating revenues to this Government, which has caused us to have a huge burst in revenues, which has caused the deficit to come down. That is all going to be put at risk by the tax increases in this bill.

The tax increases in this bill are going to dramatically affect the capital gains rate, the dividends rate, the child tax credit, the education tax credit, the marriage tax penalty relief, and the middle-class income tax rates. All of those things are in serious jeopardy and, in fact, will probably end up being repealed under this budget if it goes forward under the present structure. We will get into that in a second.

They have created this extremely complex trigger mechanism, which can be and will be undermined by their own budget, should it go forward, and will make it impossible for the tax cuts to survive in this process.

Mr. President, $725 billion of tax increases are in this budget over 5 years. That will be the largest tax increase in the history of the country, no question about that. In addition, the discretionary spending in the budget is huge—$205 billion of new discretionary spending over the President's request, which was very generous, with a significant increase in spending. It is ironic that, as this left the Senate, there was less spending than this—still a significant increase of $140 billion, I think, in spending above the President's request in the discretionary spending. As it left the House, it was less than this. I don't even think it was $200 billion. It comes back at $205 billion. That is sort of like a microwave popcorn cooker, where you put it in the stove and put the House Democrats and the Senate Democrats in together, and it blows up into a great big huge spending package and a great big huge deficit—and tax package, too.

The debt goes up under this bill: $2.5 trillion of debt will be added to the famous ''wall of debt.'' For those of you who haven't seen the wall of debt, you will see it sometime, somewhere. It is coming. So there is $2.5 trillion of new debt added.

Remember, on top of that, they are raiding the Social Security fund to the tune of a trillion dollars. Originally, when the budget left the Senate, at least the Social Security fund—under their projections, which are rosy scenarios, to say the least—wasn't going to be raided. There was going to be an on-balance budget. But now, as it comes back again from this tax-and-spend microwave called the Senate Democrat/House Democrat budget conference, which we were not included in, there is no on-budget surplus. Everything comes out of the Social Security fund. All this debt is added to our children's backs, and it is going to have to be paid for by our children.

In addition, there is absolutely no attempt to address the entitlement crisis we are facing. The fact that our children and our children's children are going to have to pay a cost they simply will not be able to afford, in the area of maintaining the benefit structure, because of the retirement of the baby boom generation and the fact that costs will actually exceed 20 to 25 percent of gross national product, just for the programs of Social Security, Medicare, and Medicaid—and there is no attempt to rein that coming fiscal meltdown in or to address it—that is totally irresponsible.

In fact, not only is there no attempt to address the coming fiscal meltdown as a result of the entitlement spending, there is actually a huge exercise in gamesmanship in this budget, which will allow the HELP Committee, under the leadership of Senator KENNEDY, to dramatically expand entitlement spending. Instead of reining in entitlement spending, under this budget there is a proposal to use reconciliation, which is supposed to reduce the deficit on the spending side of the ledger, to expand spending and the size of the Federal Government, grow the Government.

Why do they do that? Because they only need 51 votes under reconciliation. They could not get that proposal through here. It would be subject to a filibuster under the regular order. So they used reconciliation, which should limit the size of government, to expand government dramatically. That is a very cynical act, in my opinion, because that was never the purpose of the budget. In fact, there are some very good quotes from the chairman of the committee reflecting that exact position—the position I just related.

That brings me back to that statement of Mark Twain—or it could have been Bill Buckley—who said, ''I will not insult the Senator's intelligence by suggesting that he actually believes everything he just said,'' because he didn't believe it, because what he said was the opposite, that reconciliation should not be used the way it is being used in this bill.

The Senator from North Dakota made a couple other statements. I think they were on point when made, but the budget does not reflect these statements. He said we need to be tough on spending. Yet, in this budget, there are zero cuts in spending. In fact, this $205 billion expansion in discretionary spending, entitlement spending, will expand under the reconciliation instruction also, and under the reserve funds, the Government will grow dramatically as a percentage of gross national product. We will bear that burden.

The Senator said:

> I am prepared to get savings out of long-term entitlement programs.

But there are no savings. There was a representation that they were going to do $15 billion in savings, but that representation was a little incomplete because the rest of that should have said: But we are going to spend $50 billion. So there are actually no savings. I think it ended up being $30 billion, but it is a net loss in the entitlement accounts, coupled with this reconciliation exercise, which could be as high as a $30 billion to $40 billion increase.

He also said:

Here is where we are headed: Debt is up, up, and away.

Yes, it is, under this budget. That was a correct statement. It is up, up, and away by $2.5 trillion of new debt, which our generation passes on to the next generation, which is totally inappropriate and unfair.

He said:

I believe, first of all, we need more revenue.

He at least stuck to that statement. There is $736 billion of new taxes in this bill. What is the practical effect of a $736 billion tax increase? Remember, as I outlined before, we have now had 22 consecutive quarters of economic growth—actually, 23 now. That is pretty darn good. We have added 7.8 million new jobs. That is people being put to work. How did that happen? It happened, in large part, because we had an economy that was growing as a result of a tax policy that said to people in America: Go out, invest, take risks, be entrepreneurs, create jobs, and we are going to give you a reasonable return on the money you have invested. This is just called common sense in human nature. If you tax people at a rate that they appreciate and is fair, they are going to be willing to take a risk with their money, go out and invest it and create jobs. If you tax them at a rate they don't think is fair, they invest in tax shelters and inefficiently use their money, and as a result, the Government gets less and the economy doesn't grow as much. In fact, the growth in Federal revenues over the last few years has exceeded projections and has been dramatically higher.

The growth in Federal revenues has been in the last 3 years the highest rate of growth in the history of our country and has represented huge amounts of revenue coming into the Federal Government—huge amounts of revenue.

This revenue, of course, has allowed us to reduce the deficit from what was projected to be $450 billion a couple of years ago, to now probably falling below $200 billion or probably less than 1 percent of the gross national product, or somewhere in that range. It is, in large part, a function of two events: One, the fact these revenues have jumped so high and, two, this administration has been very aggressive in controlling nondefense discretionary spending.

But under this proposal that has been brought forward today by our colleagues on the other side of the aisle, the tax policies which have generated this economic expansion are targeted for extinction. The capital gains rate will jump back to almost 30 percent, 35 percent potentially; dividend rates will jump to 25, 32, 35 percent.

The bottom rate for most taxpayers who are in the low-income end of the economic scale will be increased, and there will be created a huge disincentive for people to be productive in our society. We will go back to the days when it didn't make a whole lot of sense to go out there and take that risk because the Government was going to take so much of your money.

We hear a lot on the other side of the aisle: These tax cuts disproportionately benefit the wealthy in America. I think it is important to remember this: That under the new tax law, or the tax law under which we are now functioning, which is generating all these huge revenues, high-income people pay a larger percentage of the general burden of income taxes than they did under the Clinton years. The top 20 percent of people paying income taxes is paying 85 percent. Eighty-five percent of the income tax burden is borne by the top 20 percent. Under the Clinton years, that same income bracket bore 81 percent of the tax burden, and the lower end of our economy, people who don't make quite so much money or don't make a great deal of money, the bottom 40 percent does not pay any income taxes actually on balance. They actually get money back under the earned-income tax credit, and today they are getting twice as much back as they did under the Clinton years.

It is interesting to note, in fact, that in that group, the low-income household receives far more in Government benefits than they ever pay in taxes. That is an interesting fact which should be pointed out, as well as the fact that on the tax side of the ledger, they get more money back; whereas, the higher income individual, of course, pays a lot more into the Federal Government than they ever get back from the Federal Government, and that is what this chart shows.

If your income is up to $23,000, you are going to get about $31,000. If your income is over $65,000, you are going to pay about $50,000. It is a very interesting fact that when you take not only the tax burden to Americans but the benefits which Americans receive, low-income Americans are, under this Government, under the Bush administration, getting a huge benefit from the Government in the area of tax benefits and also benefits which are structured on the basis of income, and high-income Americans are paying a significant amount more for the cost of the Government.

So we have a tax structure which is extremely progressive and which is much more progressive than under the Clinton years. In addition, this budget, which has such antipathy toward productive Americans, which essentially says to productive Americans, we don't like you, we want to tax you some more, in trying to get at those folks who the other side of the aisle thinks are such scofflaws because they make money and have income and actually pay 85 percent of the burden of income taxes in this country, in trying to get at those folks by raising the dividend tax and raising the capital gains tax, which is the primary target of the other side of the aisle, they are actually significantly impacting low-income seniors, or seniors generally, and this should be common sense because most seniors receive income, other than Social Security, that is dividend based because they are not working any longer.

So when the other side of the aisle decides they want to get people who have dividend income, which is exactly what this budget proposes—they are going to get those folks because they are the enemy—whom they are getting, for the most part, are senior citizens. Fifty-one percent of American seniors have dividend income. So when they decide to double or triple the dividend tax or 2½ times increase it, which is what this bill will do, the people who are going to be impacted are 50 percent of the seniors.

In the area of capital gains, it is also interesting that the same is true: When they decide to get people who make money by selling assets, all those wealthy small businessmen, you know, the guy who all his life worked to build a restaurant, a small company or maybe a gas station, spent his whole life working to get that business up to a level where it had some asset value, and then when he or she retires, they are not going to run it any longer, they are going to sell it, take those revenues and they are going to use it to live on in their retirement years or maybe to help their children out, that evil person who has done that in our society, as the other side of the aisle views that person, they are going to get them by doubling the capital gains rate.

Whom do they get? They get people who are 65 to 74 years old. Thirty percent of those people have capital gains income. People, as they start to age into the retirement years, start to generate capital gains income, and it is logical, when you get to that age, you are going to want to sell those assets which you probably built with the hard sweat of yourself and your family—a farm or a restaurant or a small company—so that you can take those assets and live on them in retirement and live a good retirement life or simply help out your children as they move forward in their life.

So when they get those people, whom are they getting? They are getting retirement people with this proposal. They are raising their taxes.

We are going to hear some of this ''Wizard of Oz'' language about, well, we really don't raise those taxes, we really don't. There is $180 billion of adjustment that we are going to be able to put toward capital gains or something else.

It is a fraudulent statement that it is almost not worth responding to. But let me move to the factual response, which is this: There is no capacity in this budget to institute any significant attempt to continue or to make permanent dividends and capital gains rates. None. In fact, that $180 billion, were it even to appear, which it will not under this budget—a point I will get to in a second—would benefit miscellaneous deductions which are good and right and appropriate but actually don't help the economy all that much because mostly they are socially driven. They involve the marriage tax penalty. They involve children's tax credits, tuition tax credits. They are not like economic drivers, such as dividend rates and capital gains rates which translate immediately into better investment of funds. What they have said is: We will give you that $180 billion if certain events occur in the third and fourth year of this budget.

This is a real Rube Goldberg exercise. It is one of those things where you have 16 different moving parts, and you know none of them are going to work, but you claim they are going to work so you can claim you are actually going to do something you know is never going to occur. That is exactly what this is all about.

For this $180 billion to kick in, the Democratic tax trigger requires the following: A budget resolution—we have the Rube Goldberg chart hot off the press. That is one of our better charts. It took a little bit of thought on this one. In order to get this tax cut or any part of it, the following has to happen: There has to be a budget resolution promising middle-class tax cuts. That is here. We have that. We are going to give you the promise; we are just not going to give them to you. The tax-writing committee marks up the legislation, but it stalls. Why does it stall? Because the way this thing works is there have to be offsets that can be found to satisfy the tax cuts, but if the Congress continues to spend money, that undermines the capacity to reach the factual obligation which would create the tax cuts.

So you can basically spend your way out of doing the tax cuts, which is exactly what the budget proposes. It says it promises the tax cuts and then it proposes $205 billion of new spending in the discretionary accounts and proposes a huge expansion of spending in the entitlement accounts. So it essentially guarantees that the trigger, which allegedly is in place, can't occur to generate the tax cuts because the spending eats away at the outyear surpluses and, of course, that leads to the business community getting a little skittish. It leads to the investors getting a little skittish. It leads to the economy starting to contract, which leads to a slower rate of growth, which leads to less tax revenues, which leads to—surprise—they are not going to give you the tax cuts. It is a self-fulfilling prophecy. It is a trigger that is guaranteed that when it is pulled, nothing happens. It is similar to a Rube Goldberg event.

There was some language which I loved—I have to see if I can find it—that describes this in the budget resolution. It is fascinating. It is so good it can't be not mentioned here. It defines how we get to this tax cut. I will find it or my crack staff will. They so want to destroy the ability to do this tax cut that even in the language of the budget itself they put in obfuscating language that is filled with obfuscation, that you know on the basis of it no one takes seriously the idea of doing the tax cuts. That is reasonable because let's face it, that is not the philosophy of the party of the other side of the aisle. The party of the other side of the aisle has shown itself historically to be a party to believe that it is not your money. It isn't your money. It is their money. You haven't figured out yet that you earned it, and you think you should be able to spend it. You haven't figured out yet that they think you earned it for them and that the Government should be able to spend it. That has been the philosophy of this party for a long time. It doesn't change over the years very much.

Now that they are back in a position of some responsibility—considerable responsibility; they are the party of both the Senate and the House—they have the capacity to execute that strategy which is: We will take your money and we will spend it on what we think is important because we are smarter than you, we know better what you need and, therefore, it shouldn't be your money in the first place because you earned it, the Government has a right to it, and the Government should make a decision as to how best to handle it.

So it should not come as a surprise to anyone that this budget is replete with new spending and dramatic expansions in taxes.

I did find—or my crack staff found it, as they always do—the language which I had seen in the conference report, which is so interesting it has to be read for the record. This is how this trigger works. It is written similar to a reserve trust fund, which is, on its face, a shell event. Almost all these trust funds are shell events. By the way, these trust funds are structured so that we start out with 5 or 6, now we have 23 of them.

I am sorry, reserve, not a trust fund. A reserve fund, not a trust fund. I used the wrong term. A very inappropriate term. A reverse reserve fund.

This is the way it works. In the House, the chairman of the House Budget Committee will increase the revenue aggregate—in other words, will take away tax cut revenue—if he determines the future tax relief legislation—and this is the language I love—does not contain a provision consistent with the provisions set forth in the joint statement of the managers.

What does the joint statement of the managers say? The statement of the managers says that the future tax relief legislation must contain a provision that makes the tax relief contingent on OMB's projection of a surplus. The second trigger would turn off the tax cuts unless a minimum surplus materialized, and the tax cuts can be $179.8 billion or 80 percent of the projected surplus, whichever is less.

Rube Goldberg couldn't have written this language any better. I mean, this language is designed to fail. It is designed to make sure the Government gets that money; that you don't get to keep it, and the Government makes the decision as to where it is spent. It is unfortunate.

We also have in this budget, regrettably, a total failure to address the entitlement accounts. Entitlement accounts are by far the most serious issue we have as a government and as a people, beyond the threat of being attacked by Islamic extremists with weapons of mass destruction. Why do I say that? That sounds like a statement that is a little over the top. Well, it is not. The simple fact is that as the baby boom generation retires, and it is going to retire—we exist; there are 80 million of us—we are going to double the size of the number of retirees in this country.

As I have said before on this floor, and I know the Senator from North Dakota agrees with me, this system is not structured to handle the retirement of a generation that is that large. The whole concept of our system of retirement benefits was that there would be a pyramid. There would always be many more people who paid into it than took out of it. That was the genius of Franklin Roosevelt when he created the Social Security System. In fact, when it started, there were 12 people paying in for every person taking out in 1950. Today, there are three and a half people paying in for every one taking out. By the time the baby boom generation is in full retirement, we will have two people paying in for every one person taking out.

The practical effect of that will be a meltdown of our system, and this chart reflects that. I have shown this before because I think this is probably the most serious issue which we face, beyond the issue of the threat of Islamic fundamentalism and the terrorist threat they represent.

Three accounts—Social Security, Medicare, and Medicaid—by the middle of the period 2020, when the full force of the baby boom retirement is in place, those three programs will absorb 20 percent of gross national product. Twenty percent of gross national product is what the Federal Government spends today. Another way to state this is that at that time the Federal Government will have no money left over for national defense, education, laying out roads or environmental protection. All the money will have to go to pay for those three programs.

But it doesn't stop there. The number continues to go up at a rate which is

incredible, and which is totally unsustainable, until it hits about 27, 28 percent of gross national product for those three programs by about 2035. Now, this is a situation which will mean—and it is going to occur—which will mean, because it is going to occur, that our children and our children's children—these pages down here, who do such a great job and who are so personable and put up with our foolishness around here sometimes—they are going to have to pay a burden in taxes in order to support our generation. That will make it virtually impossible for them to have as high a quality of life as we have had in our generation. They would not be able to buy that home or put their children through college or have the enjoyment of a lifestyle that contains discretionary funds because those funds will have to be spent, through taxes, to support these programs. These three programs.

Regrettably, this budget does nothing—zero—to address this looming crisis. It is an act that I think fails our obligations as a generation. We are the governance party now. In the sense that most of us in this room who serve here today are baby boom members—there are some who aren't—it is inappropriate for us as a generation not to try to solve a problem which we are going to create for our children and our grandchildren. Yet this budget does nothing to do that. In fact, it aggravates it by suddenly creating this new concept that you can use reconciliation to expand and grow the size of Government dramatically, which is exactly what it does, which is unfortunate, and which is a terrible precedent for us as a government to pursue.

There was a proposal that came from the administration which I thought was reasonable and which would have reduced the outyear Medicare liability—the unfunded liability—by almost 25 percent. It would not have affected recipients except for those at the high end because all it did was that it impacted recipients, as was suggested, such as Warren Buffett or retired Senators, for example, who could and should pay a fair share of the burden of their cost of Medicare Part D.

Under Medicare Part D today, which is the drug program, if you are retired, it doesn't matter how wealthy you are, you still get the benefit fully subsidized by working Americans. So that a person who is working as a waitress or on an industrial line somewhere, or in a gas station, that person's taxes are subsidizing Warren Buffett's drug benefit, assuming he takes advantage of Part D, which being a conservative individual, I think he probably does, although I don't know whether he does. A retired Senator's drug benefit is subsidized by a working American today.

Well, that is wrong. I mean, obviously, if you have that type of income—and what the President suggested was that people who have over $80,000 of individual income or $160,000 of joint income, which is a lot of money—you should have to pay the full cost of your drug benefit, or at least a high percentage of the cost of your drug benefit. That was rejected. It was rejected by the other side of the aisle.

What a small step. That would have translated into a very significant savings in the long run, which was totally reasonable, but which was simply not pursued or brought to the table by the other side of the aisle. I mean, if they are going to do reconciliation instructions, which expands programs in this country dramatically, which is what this bill does, they ought to at least, on reconciliation, say to the Finance Committee, make former Senators pay the full cost of the drug benefit and people with incomes of over $160,000, or a large percentage of the cost of the drug benefit. But they didn't. They passed completely on that opportunity, even though it was a totally reasonable opportunity and something that should be done.

It should be done soon because the problem is—and it reminds me of that Fram oil filter ad of 10 years ago or so, which said: You can pay me now or you can pay me later. Well, the ''later'' is going to bankrupt our children and our children's children. Paying today, fixing this problem today, translates into long-term huge savings, and it is certainly something that should be done. But it was passed on in this budget.

So what is the practical effect of this budget? It is pretty simple. It is a big-spending, big-taxing, classic budget that comes from the left. It increases taxes by $730 billion, it increases discretionary spending by $205 billion, it raises the Social Security fund to the tune of a $1 trillion, it increases the debt of the Federal Government by $2.5 trillion, it dramatically expands the obligation which we are passing on to our children and which our children will have to pay, it eliminates some tax cuts which have caused this economy to grow and be vibrant and which have created jobs and generated huge revenues to the Federal Government, and it fails to even a little bit—by asking former Senators and wealthy Americans to pay the cost of their drug benefit—to address the looming crisis which we face as a nation, which is the Medicare, Social Security burden which we are going to pass on to our children.

It is not a budget which I would recommend, though I do appreciate the Senator from North Dakota and his energy in pursuing it.

There is one other small point, in the area of fiscal discipline, where we hear all this talk of pay-go. They shouldn't call this pay-go. They should call this ''Swiss cheese go'' because it is targeted to pick up the things they do not like, such as tax cuts. But the things they like, they basically exempt from it, such as agricultural entitlement spending. So it is a choose-the-things-you-like pay-go, or choose-the-things-you-don't-like pay-go. That enforcement mechanism is a nice term—it is a term of motherhood—but it is not going to have much discipline on the spending side of the ledger.

In addition, there are no caps in the outyears. For some reason, even at these very high spending numbers, which are egregious in their excess, they have put no caps in for 2009 or 2010. They have them in there for 2008 but not beyond that. They have expanded advanced appropriations, which is a way to basically get around caps to begin with, over what they have traditionally been.

I understand the President has sent up a letter, or his OMB Director has, and it says they are going to try to discipline the fiscal process through using the veto on appropriations bills. But we know the President can also be put in an untenable position because they can roll all these appropriations into the Defense bill and make it virtually impossible for the President to aggressively and effectively use the veto. It shouldn't be up to the President to discipline this place. We should do it.

There also should be effective points of order retained and carried out. In fact, the pay-go point of order is so neutralized they decided they wouldn't do it year by year. They decided to do a 5-year calculation of pay-go. This is all inside politics around here, or inside substance, but the practical effect of that is you can take credit for something you think is going to take effect in the outyears, when you know that 5-year scoring is sometimes a little sketchy. So you do spending this year with the claim that you are going to save in 5 years, and you can claim you have avoided pay-go. It is a way to game pay-go on the spending side of the ledger.

They basically have eviscerated a whole series of what are important spending restraints around here, or at least they have skewed them in a way that makes spending more capable of occurring and, of course, tax cuts will be aggressively disciplined so they can't occur. Because, after all, it is not your money. It is their money. You have to always remember that.

This budget is based on the basic theme that it is not your money, it is the Government's money, and we deign, we deign as a Congress, to allow you to keep some percentage of what you earn. But most of what you earn we want, and we are going to spend it. This budget does it very well.

Mr. President, I yield the floor.

Mr. CONRAD. Mr. President, I detect the Senator was blushing a bit when he suggested at the beginning of his statement that his party is the party of fiscal responsibility. Wow. That is breathtaking. Their party is the party of fiscal responsibility?

Let us look at what has happened on their watch when they controlled everything. They controlled the House, they controlled the Senate, they controlled the White House. Here is what happened to the debt on their watch.

They have built a wall of debt that is going to take us a generation to recover from. When this President came to office, at the end of his first year—we won't hold him responsible for the first year, although he inherited balanced budgets—the gross debt of the United States stood at $5.8 trillion. At the end of this year, it is going to be $9 trillion. So they have run up the debt $3 trillion in 5 years. If the President's plan is followed, in the next 5 years they are going to run it up to $12 trillion.

Their claim that they have been fiscally responsible is unfortunately contradicted by the facts. They talk about the performance of the economy. Let's look at the performance of the economy.

We have looked at what happened in this recovery compared to the nine previous recoveries, major recoveries since World War II. Here is what you find. Under this recovery we are running, on revenues, $127 billion short of the typical recovery since World War II.

On job creation, in the first 75 months, the previous administration, the Clinton administration, created 18.7 million jobs. In this administration for the same period, 5.2 million. The Clinton administration produced three times as many jobs.

On job creation compared to the nine previous recoveries since World War II, they are 7 million private sector jobs short of what has happened in the typical recovery.

On business investment, again, compared to the nine recoveries since World War II, they are 69 percent below the typical recovery since World War II.

When he talks about this burst of revenue under their fiscal management, you will notice that all his charts start in the year 2004. They forgot about 2001, when they were in charge; 2002, when they were in charge; 2003, when they were in charge. In fact, if you look back on the revenue of the United States, here is what you see. Tell the American people the whole story, not just the bits and pieces they talk about. Back in 2000, the revenue base of the United States was just over 2 trillion dollars. It has taken us until last year, it has taken us 6 years to get back to the real revenue base this country had in 2000.

Let's look at their record. The simple fact is, they increased spending—and they controlled every dime that was spent here. They increased spending by more than 40 percent. They stagnated the revenue base. The result was an explosion of debt. That is their record, and it is indelibly etched in the history of the country. Unfortunately, we are going to pay a long time.

Mr. DORGAN. Will the Senator yield for a question?

Mr. CONRAD. I am happy to yield.

Mr. DORGAN. Mr. President, regarding the first chart the Senator used, which showed the steps of additional debt, I was intrigued, as I was walking through the Chamber, to hear our colleague from New Hampshire say, ''This is your money.'' I understand the origin of that comment. The implication is we don't have to fund schools and roads and law enforcement and defense, and so on.

We all have some responsibility to the country, so part of the money has to go to the Federal Government or State governments to pay for that. But when he says, ''This is your money,'' should he not also, when you hold up that chart, say to the American people: This is your debt? Isn't it the case that in the years in which they ratcheted up that debt by spending money and not asking for the revenue for it, they are saying to the American people: We will load you up with some debt, and by the way, this is your debt. You pay it later. We will probably be done, but you pay it later. Shouldn't that be the second verse to that song?

Mr. CONRAD. What they should say is they have become the party of borrow and spend—because they spent the money. They increased spending more than 40 percent, but they didn't pay for their spending. Instead, they put it on the charge card, and they have run up the debt in a way that is unprecedented in American history.

They will have doubled the debt of the country and doubled foreign holdings of our debt. I have another chart that shows it took 224 years and 42 Presidents to run up $1 trillion of U.S. debt held abroad. This President has more than doubled that amount in 6 years.

That is the record. They can't run away from it because they own it.

When they say there is this huge tax increase—please. This is what the President said he was going to raise in taxes, $14.826 trillion. Here is what we raise, $14.828 trillion—virtually no difference.

That is what the President said his budget would raise. CBO has a little different take on it, the Congressional Budget Office. They show a difference, over the 5 years, of 2 percent; that we have 2 percent more money than they are proposing. The important thing about this budget—we all know we are going to write another budget next year—is what is the difference for revenue this year between our budget and the President's budget. Do you know what it is? Zero—nothing. No difference.

Where is this big world-class tax increase they are talking about? You certainly can't find it in the budget.

When he talks about spending, here is what has happened to the spending under our budget. They are the ones who ran up the spending, increased it 40 percent. We are talking about spending as a share of gross domestic product, down each and every year under this budget; from 20.5 percent of GDP in 2008 down to 18.9 percent of GDP in 2012.

We are turning the corner on debt. They have had it explode on their watch. We are turning the corner and starting to take debt down as a share of GDP.

I heard a lot of talk about this big increase in spending. Where are the increases that are in our budget? First of all, we increase the funding for veterans health care by $6.7 billion over last year. I am proud of it because we are going to keep the promise that was made to our Nation's veterans that they were going to receive quality health care. We have seen the scandal of the veterans being mistreated at Walter Reed under this administration, on their watch, when they were in charge. We are going to fix the problems in veterans health care by putting money where the speeches are.

On education and training, we increase by $3.6 billion because we understand that investment in our kids' education ought to be a top priority.

On justice and law enforcement, we add $3 billion because we are not going to cut the COPS program 94 percent and take police off the street when those additional 100,000 cops all across America have helped us reduce rates of crime. The President inexplicably says cut the COPS program 94 percent. We have rejected that proposal. We say keep the police on the street. Let's keep our streets safe.

On health care, we can begin to ensure the children of America, provide them with health insurance.

When we look at the reasons for the increases in spending under the budget resolution, 34 percent is because of defense and war cost; 25 percent is because of Social Security and Medicare. That is no change that we have made. It is simply the increased cost of those programs.

We also have a 7-percent increase in veterans' benefits and services, to take care of veterans health care.

Net interest up 10 percent. That is nothing we did. That is the debt that this President has run up. We have to pay the bill.

When they talk about this big increase in spending, do you know what it is? It is 2.6 percent. We have added 2.6 percent over the baseline to address veterans health care, to address the Nation's needs in education and health care of our kids. That is exactly what the American people expect and want us to do.

He says the tax cut will never come about. We have the middle-class tax cuts and estate tax reform in this proposal. He says none of it will ever happen because of the trigger. The way the trigger works, the Office of Management and Budget, controlled by the President, tells us what they expect the surplus to be in 2012. We can only use 80 percent of it for tax cuts. That is the way the trigger works.

Under the current scoring by OMB, there is sufficient room, as this chart shows, to fund all the tax cuts that are in this budget, all the middle-class tax cuts and the estate tax reform. Under current Office of Management and

Budget scoring, if you take 80 percent of their projected surplus in 2012, their projected surplus, or 80 percent of it, in 2012 is $232 billion. The cost of the tax cuts is $180 billion. We can fund the tax cuts that are provided here, that go to hard-working, middle-class families, exactly where they ought to go.

He says we are raiding Social Security. He forgot how we got into this position. We got into this position because this President chose to provide tax cuts to the wealthiest among us instead of protecting Social Security. Under the President's plan, he is going to take, from 2008 to 2017, $2.5 trillion of Social Security funds to use it to pay other bills.

Let me say this. If anybody tried this in the private sector, what the President is doing, they would be on their way to a Federal institution, but it would not be the Congress of the United States, it would not be the White House, they would be on their way to the ''big house.'' That is a violation of Federal law.

But, unfortunately, they have dug the hole so deep it is going to take us time to dig out of it. That is exactly what we have done under this budget because, unlike them, we have balanced the budget by 2012. Unlike the President, who even now has not balanced the budget by 2012—under his proposal, we would still be $30 billion in the red by 2012. We balance the budget by 2012 and have a $41 billion surplus. That is a real American value, paying your bills.

When they say their tax relief has somehow magically benefitted the middle class at the expense of the most wealthy among us—whoa, there is a whopper. Here is what happened. The millionaires of our society—and I have respect for those who have succeeded. I applaud them. I am delighted at their success. I hope everybody is financially successful.

But when they somehow say the middle class has been the ones who have gained by their tax policy and not those at the highest end of the income ladder, come on. I don't know whom they think they are fooling with that one. Here are the facts. This is according to the Urban-Brookings Tax Policy Center. Those earning more than $1 million in 2006—this is not a projection, this is what happened in 2006—those earning over $1 million a year got, on average, a tax cut of $118,000. Those earning between $100,000 to $200,000 got $3,700 dollars. Those earning less than $100,000 got less than $700. Please. There is no question who are the primary beneficiaries of these tax cuts. It has overwhelmingly gone to the wealthiest among us.

I am not being critical of the wealthy. I absolutely applaud their success. One of the great things about America is if you work hard and you are inventive and entrepreneurial, you can succeed. That is a great thing about America. We want to preserve it. One of the ways we preserve it is to pay our bills and quit running up the debt and quit running these massive deficits. That is why we worked hard to balance this budget by 2012. The President, even now, has not presented a plan that balances by 2012.

I have already talked about the things that are done within the long term. We have these reserve funds that were in our budget. But let's reflect—our friends on the other side, they criticize reserve funds. Here are all the reserve funds they had in their budget, reserve fund after reserve fund, and they criticize the ones that are in our budget? Please. That is the pot calling the kettle black.

Finally, with respect to the long term, I have said repeatedly, this is one place where Senator GREGG and I entirely agree. We have to tackle the long-term entitlement challenges—absolutely. The only way that is going to happen is bipartisan agreement. Neither party can tackle the long-term challenges on their own.

This is a 5-year budget resolution. Our long-term entitlement plan problems are 10- and 15-year problems.

The sooner we deal with it the better. But the budget resolution is not going to be the place because only one party is carrying the burden there. It has got to be a joint agreement between the two parties. That is why, along with Senator GREGG, he and I have proposed a plan to give, to empower, 16 Members—8 Democrats, 8 Republicans—the responsibility to come up with a long-term plan that would be dealt with separate from a budget resolution.

With that, Mr. President, I notice the Senator from Washington is here. I do not know whether the Senator——

Mr. ALLARD. Mr. President, I would like to have an opportunity to make some comments, if I might. Traditionally, we have always alternated this back and forth.

Mr. CONRAD. How much time would the Senator require?

Mr. ALLARD. Probably about 15 minutes.

Mrs. MURRAY. If I can have about 5 minutes before the Senator goes, I would appreciate it. If not, I will come back.

Mr. CONRAD. We can then go to two people on that side.

Mr. ALLARD. Fine.

The ACTING PRESIDENT pro tempore. The Senator from Washington.

Mrs. MURRAY. Mr. President, I just wanted to come to the floor for a few minutes today and talk about the budget that is before us now. It reflects a lot of work. It reflects the priorities of families across this country. Importantly, it returns fiscal responsibility to Washington, DC. It invests in critical needs of all Americans.

I am very proud to be able to say I support it. It is tough and it is strong, which is exactly what we need to be doing today in the United States.

First and foremost, I do want to thank our chairman, Senator CONRAD, on his work on this most difficult task. I have served with him through this process time and time again. I am always amazed and impressed by his thoughtfulness, his attention to detail, and, of course, his amazing charts. He always works well, along with his partner from the House, Congressman SPRATT, to help us establish priorities of which all Americans can be proud.

Writing a budget of this size and scope is not easy, but Senator CONRAD has again proven this year he is up to the task. I am proud to call him a colleague and a friend.

Mr. President, Senator CONRAD and all of us as Democrats want a budget that reflects the priorities of American families. We do that in this budget by investing here at home—in our schools, in our infrastructure, and in our communities. We still provide every dollar the President asks for defense spending over the next 5 years.

At the same time, Americans want us to return to fiscal responsibility in Washington, DC. Every family knows the importance of balancing their own checkbooks and paying their own bills. They expect us, the Federal Government, to be responsible with their money as well.

Unfortunately, as Senator CONRAD pointed out, for too many years under Republican control we have seen a failure to manage those taxpayer dollars. Year after year, they have produced some of the largest debts this country has ever seen. This budget, our budget, says ''no more.''

Our plan does include strong pay-as-you-go rules, and that means we are being responsible for today and not burdening our grandchildren with future debt. In fact, this budget produces a $41 billion surplus by 2012. I really want to say we owe Senator CONRAD a debt for keeping us fiscally responsible yet investing in the right priorities, and still producing a surplus by 2012.

We recognize in this budget that American families want relief from taxes as well. This budget supports middle-class tax relief. It extends marriage penalty relief, child tax credit, and supports reform of the estate tax just to make sure that we protect small business and family farms, and, importantly, provides relief from the alternative minimum tax for 1 year, a tax that increasingly is a burden on middle-class families.

I am especially proud of what we have done in this budget that pays attention, finally, to our veterans when they come home. From stories we have heard of veterans who have been struggling to get mental health care for post-traumatic stress disorder, to some who had to wait months if not years to get the benefit checks they so need, or the lack of focus on traumatic brain injury, the signature issue of this war that is affecting thousands and thousands of our soldiers who have returned home.

What we have seen clearly is the President has not adequately funded veterans care. This budget reverses

that terrible trend and provides $43.1 billion for addressing those problems. That is a critical component of this budget that every Member of this Senate ought to vote for.

Importantly, our budget rejects the President's proposal to impose new fees and higher copayments on veterans. The President's budget that came to us said that he wanted to impose fees and copays on the veterans themselves to pay for veterans health care. We say no. We say these men and women have paid the price by serving us. We are not going to charge them again.

Very importantly, we keep the promise to our Nation's heroes and restore that by saying we will not impose fees on our veterans to balance this Nation's budget.

This budget also invests in critical port security needs. I was very proud to work last year on a bipartisan basis to pass the Safe Ports Act. But that bill did not adequately fund the critical infrastructure we need to keep our ports safe. This bill begins that process.

We have increased funding for the Safe Ports Act, which means more radiation detection centers at our Nation's ports, more partners in safe trade, and importantly, the personnel, custom officials to make sure this bill actually works.

On education, our budget reverses the painful cuts that we have seen year after year to education and provides the largest increase in funding for elementary and secondary education programs in 5 years.

Like all of my colleagues, I have been home. I have listened to my teachers, my administrators, my parents, and students at home who tell us the lack of funding in the promise to No Child Left Behind has hindered them from being able to do the right thing, to make sure our children get a good education.

Our budget, this budget that is before us, increases Department of Education funding by $9.5 billion above the President's request and keeps the promise we made when No Child Left Behind was enacted.

As a parent, a former teacher, I know the importance of investing in our children's education. I am very proud this budget does just that.

This budget also provides very important funding for SCHIP; that is the program that Senator CONRAD talked about which is the children's health insurance program. Everyone talks about the incredible burden of health care in this country and who it is impacting most, our Nation's children. This budget expands health care coverage to nearly 6 million children.

Certainly, in this country today that ought to be our top priority. That is what Democrats are saying in the budget before us. We provided a very important step forward for American children with the investment in this budget.

I think it is important to note that in 3 of the last 5 years, the Republican majority failed to pass a budget. They had a much larger majority than we do here in the Senate today, and we saw what happened when a budget did not happen: historic debts that were passed on to our children and grandchildren.

Well, last November, in the election, Americans demanded a change. I believe this budget reflects that call. It returns fiscal responsibility to Washington, DC and, importantly, ensures our Nation's priorities are addressed. I am very proud to support this bill. I encourage all of our colleagues to do so.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank Senator MURRAY for the extraordinary contributions she has made to this budget resolution. There is no more valuable member of the Senate Budget Committee than Senator MURRAY. She was a conferee. She has participated throughout the committee's deliberations on this budget.

Again, there is no one who played a more constructive role than Senator MURRAY. She has been a fierce advocate for education, for expansion of children's health care coverage, and for the transportation needs of the United States. So I thank Senator MURRAY for her very thoughtful participation in the deliberations of the Budget Committee.

I also want to take this moment to thank my colleague, Senator ALLARD, again for his courtesy.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Colorado is recognized.

Mr. ALLARD. Mr. President, first of all, I thank the chairman for his leadership on the Budget Committee and willingness to work with Republicans, to a certain degree, and I do appreciate his leadership.

We have a difference of opinion. I think these are reflected in the budget. I also recognize the ranking Republican, JUDD GREGG. I think he has it just right. I would like to associate myself with many of the comments he made on the Senate floor because I agree with him.

If you have been listening to this debate and what the Democrats on the other side of the aisle have been saying, you may be getting as confused as I am. You know, I listened to this debate, and it seems as though they want the argument all ways—at least four ways.

They want to argue that they are not increasing taxes but yet are increasing taxes. They want to argue that they are holding down spending, but yet they want to take credit for all of this spending they put in the budget. So I think that is confusing.

I think we are missing an opportunity to do more for future generations than what is reflected in this budget. In fact, I think this is a budget that is a disaster in the making for future generations. It took the majority Democrats only 4 months and 15 days to figure out how to raise taxes. Now, they say they are not raising taxes. But taxes are going to go up because of inaction on their part, because they make the rules and the procedures around here in the Senate so complicated that there is not going to be an opportunity for those of us who want to see taxes held down to make that effort without these very high hurdles.

They want to ignore the fact that the U.S. economy has done well; it has grown and prospered over the past several years with the creation of 7.9 million new jobs and tax revenues that have outpaced projections by $300 billion.

The economy has experienced smooth sailing, frankly. Now Democrats are about to pass a huge, bloated budget that will act as a heavy anchor weighing down our economy.

The Democrats do not want to recognize the fact that after we reduced taxes the economy grew. We have had this argument over the years in the Budget Committee, and with the now majority leader on the Budget Committee who does not want to recognize that when you are reducing taxes you actually have an opportunity to increase revenues, particularly when we start with a high tax rate.

If we look at what has happened with taxes before, the President came through with his economic growth packages, he had two growth packages, our economy was struggling, and we just finished, in 2001, what we call—the high-tech bubble had burst, the economy was regressing, and we had the 9/11 catastrophe. We had the war on terrorism. We moved into a time when we had a record hurricane year.

But despite all of those negative impacts, the economy did well. I can recall during the last part of the 1970s when we had high energy prices and we had a struggling economy. Remember, we got into double-digit inflation, double-digit unemployment. We referred to all of this as the misery index because our economy wasn't doing too well.

Most of that was attributed to the fact that energy prices were so high. But look at today and look where energy prices are and look at how the economy continues to grow, which I think speaks to the strength of the economic package that the President has put in place with the help of a Republican Congress.

What we did was reduce taxes in those areas where we thought we could really focus, particularly targeting the small business sector of our economy. That is where innovation occurs. That is where you can expect the greatest economic growth when you have right tax policy.

One of the things we did that really targeted the small businesses was we increased the amount of expenditures that they could write off so that small businesses make investments in their

business, maybe it was computers, maybe it was—if they were in construction maybe it was a Bobcat. But it impacted all segments of small business.

The economy responded, and it is still responding. But this particular plan we have before us—and that is what this budget is, it is a plan. It is a plan that is put together by the House and the Senate. It is not anything that is signed by the President. It is an agreement.

So, now, in 4 months and 15 days, they have had this plan that lays out a pact to increase taxes.

It increases discretionary spending at least $205 billion over the President's request over 5 years. The debt increases $2.5 trillion over 5 years, and we don't do anything on mandatory spending. We had several hearings in the Budget Committee about the problem with entitlements, which is mandatory spending—Social Security, Medicare, and Medicaid—and how we needed to control future obligations in those programs because they are getting ready to bankrupt the country. We had testimony in front of the Budget Committee that said the way those programs are currently designed is unsustainable. It is completely ignored in this 5-year plan that has been put out on how they are going to grow the economy. I think it is headed in the wrong direction. It is going to be a disaster for future generations.

The Democratic budget contemplates a huge tax increase. The argument was made from the other side, as always, if you want to increase taxes, you blame the rich because they are making too much money. But everybody ignores the fact that the top 20 percent of taxpayers are paying 85 percent of the taxes. The bottom 40 percent is actually getting a refund, a handout from the Government. It is easy to point to the wealthy and say: They are not paying enough. But in reality, they are already paying a lot. If we allow the Republican tax plan to expire without taking any future action, the result is going to be a negative impact on our economy. I believe that.

This budget spends $23 billion over what the President suggested as far as discretionary spending for 2008, totaling about $82 billion over 2007. The budget spends $205 billion over the President's discretionary spending over 5 years. Entitlement spending grows unchecked by $416 billion over 5 years. It creates reserve funds. We did create a few reserve funds, but we didn't create 23 reserve funds, which is an opportunity to build a shield of smoke and mirrors, which allows spending to go on unchecked. I am concerned about the opportunity we are giving various committees to spend.

If we do this right, we can do a lot of things that will restrain spending, will hold down taxes, and actually provide for future generations of Americans. I am disappointed we haven't done more in those areas. In fact, we haven't done anything but move in the wrong direction.

I had an amendment I offered in the committee and on the floor that said: Let's look at the ineffective programs. This President, to his credit, has put together what they call the PART Program. PART goes into the various agencies and evaluates their programs. Then they rate them. Was it effective? Was it moderately effective? Is it ineffective, or have they made no effort at all? You can easily look into these programs where they didn't make an effort at all to try and establish a process where there is accountability in the way they spend tax dollars, or they can go into a program that was rated ineffective. I said: You know, if we go ahead and reduce spending by 25 percent on some of those ineffective programs, in the first year of this budget we could save about $4 billion, which is minimal, when you think about it, out of a total budget of $2.9 trillion. Over 5 years, that would amount to about a $17 billion reduction in debt, a relatively easy thing we could have done. We ignored that opportunity, as we ignored the opportunity to do something about entitlement spending. We talked about it and talked about it. This could have been a budget that actually called for some action. We have ignored all the recommendations of the hearings and gone ahead with business as usual—increasing taxes, increasing spending.

The Democratic budget literally ignored the entitlement crisis. They have done some manipulation so they can talk four ways about how they are not increasing taxes but in reality they are, about how they are holding down spending but in reality they are increasing spending much more than what Republicans are supporting. It would have been interesting to have seen how they would have created a budget during those 3 years the chairman of the Budget Committee criticized Republicans, when we had 9/11, we had the Internet bubble break, and we had record hurricanes. We had a lot of pressure on our budget. As Republicans, we did a good job. Those were tough times. This budget and these economic times are much better. This was an opportunity for us to do something to hold down spending. We could have done something to hold down the taxes so we could sustain our phenomenal economic growth.

Let me talk about one other issue. If you notice, when the Democrats talked about spending, they talked about it as a percent of gross domestic product. That is an easy argument to make. This economy has done so well that the gross domestic product is growing at a phenomenal rate. So you can increase spending at a phenomenal rate, and your figures can still look good. When you talk about spending as a percentage of gross domestic product, you are not talking about what is happening in the budget. You need to talk about it in terms of real figures from year to year and within the 5-year window of this budget. When you do, we have a tax increase of $736 billion. You have increased discretionary spending by $205 billion, debt by $2.5 trillion, and done nothing as far as entitlement spending is concerned.

I will not vote for this budget. I encourage my colleagues to join me. We can do better. This budget forgets about future generations, and we should do better on their behalf. That is the reason I came to the Congress, because I believed it was important that we eliminate deficit spending.

By the way, he talks about eliminating deficit spending by 2012. If we worked on it, I think we could have gotten rid of deficit spending in 2 years, with the current rate of growth and current incoming revenue, if we had only made the effort. But this budget ignores that effort. We continue to spend and tax as usual.

I am disappointed in this particular budget. We could have done much better. I think it is a disaster for future young Americans. Hopefully, this budget will not pass, and we can have another budget that deals more seriously with the future of this country and the future of America.

I yield the floor.

The PRESIDING OFFICER (Mrs. MCCASKILL). The Senator from South Dakota.

Mr. THUNE. Madam President, the conference report on the fiscal year 2008 budget resolution isn't only about a bunch of numbers; it is about our priorities for America. It is about our vision for America. A budget in a lot of ways is like a checkbook. A checkbook tells us about an individual's priorities. This is our national checkbook. It tells us where we are and where we want to go as a nation.

The proponents of this budget are proud of their budget, claiming it is fiscally responsible, it reduces the deficit, it makes hard choices, and leads to a balanced budget. Opponents of the budget resolution say it is nothing of the sort. It adds spending, raises taxes, does nothing about long-term entitlement programs and the crisis America faces there. They say it is a tax-and-spend budget doomed to fail because it grows the Government, slows the economy, and will fail to balance the budget. The question for the American people is, who is right. This is no trivial matter. It is not just about our Government's finances and the Nation's prosperity; it is about our jobs and paychecks. It is about our family's budget. It is about our hopes and dreams. So who is right? Is this a tax-and-spend budget or a fiscally responsible budget? In America, everyone is entitled to their own opinion, but not everyone is entitled to their own facts.

Fortunately, we have plenty of facts by which to judge this budget. We have the facts of the budget, the facts of history, and the hard facts of the IRS form 1040 to determine exactly what this budget is and exactly what this budget does for American taxpayers and families.

I believe a reasonable review of those facts will, sadly, conclude this is, in fact, a tax-and-spend budget, that it is based upon hundreds of billions of new spending, and almost a trillion dollars of new taxes, that it will grow the Government and slow the economy, and that it will fail to balance the budget because no tax-and-spend budget ever has, that it is diametrically opposed to the only solution we factually know to successfully balance the budget, and that is to cut spending and reduce taxes.

How do I reach that conclusion? It begins with two facts of any budget: What does the Government spend? What does the Government tax? From this budget we can tell three things about spending. First, we know every dime the Government is spending today. This budget says what the Government will spend tomorrow plus more to account for inflation and population and whatever other factors come into play. This budget does not require a single program termination, not a single program reduction, not a single program freeze. So we know spending doesn't go down. It goes up in a business-as-usual approach.

Next we also know new spending is added, over $200 billion in new spending over the next 5 years with no offset. Finally, we know there are some 24 reserve funds added where billions of new spending can be added. Some of them allow for tax relief, but mostly they add new spending programs or expand existing ones.

The authors of the budget will tell us that any of these new initiatives have to be offset with either spending cuts or new taxes. Given the fact that not one penny of spending is cut in this budget and that billions of new spending is added, I don't think we can expect to see any future spending cuts. That only leaves one thing to pay for it, and that is taxes.

Thus we see every penny of existing Government kept, we see billions of new spending, and we see promises of even more new spending beyond that. However, to be fair, the Democrats do point to one spending cut they may do. They point to provisions, so-called reconciliation instructions, to cut education spending by $750 million over a 5-year period. They want to use the reconciliation process so the provision cannot be filibustered. So to get this straight, out of a budget of $2.542 trillion this year, out of CBO estimated spending of $12 trillion, $37 billion over the next 5 years, the Democrats are going to try and squeeze $750 million out of savings. That is six one hundred thousandths of 1 percent.

This may turn out to become a spending cut, but consider two facts: First, the $750 million cut that might occur is dwarfed by $205 billion in new spending that is scheduled to occur. Second, that $750 million cut is a spending cut not to shrink Government but to actually grow Government.

The education reconciliation instruction is part of an effort to transfer subsidies that private lenders give to student loans and put the Government back in control of student loans. It is a cut not to shrink Government but a cut to shrink the private sector and expand the Government.

So in this budget, what do we have on the spending side? Well, as I said before, we have no spending cuts, no terminations, no freezes. We have $204 billion, $205 billion in new spending. We have numerous new spending initiatives promised, and the single, potential cut is infinitesimally small, is a fraction of new spending and is designed to use a special process to shrink private lenders and expand Government lending.

On the basis of no spending cuts, billions of new spending, promises of even more spending, and a miniscule cut that is actually a Government expansion—from all that—I think any reasonable person could conclude this budget spends more and more.

But what about taxes, the second part of our equation? Does this budget raise taxes? Does it help or harm taxpayers? Democrats insist there are no tax hikes in this budget. No one's taxes are going to go up, they assure us. But is that true?

If you are kind of boring and you care about budget numbers, you might come up with a different answer. If you are a taxpayer and know what it means to fill out your IRS Form 1040, you definitely will not agree with that assessment.

For those who care about the budget, here are the facts. Every budget passed since 2001 has excluded from its future revenue levels the tax cuts that were passed in 2001. In fact, each budget has excluded the revenue reductions from the 2001 tax relief, the 2003 tax relief, and the 2005 tax relief.

These budgets did not count as Federal tax revenue any of those revenues transferred back to taxpayers by those three tax cuts. Instead, every budget said the tax cuts are in your family's budget and not in the Government's budget; that is, until now.

This budget says those tax cuts are no longer part of your family's budget, but they are now part of the Federal Government's budget. Money cannot have two masters, and this budget says the money going to your tax cut has a new master, and it is not you, it is the Government.

In fact, over the next 5 years, some $736 billion in tax relief that Americans enjoyed yesterday and today to pay their bills, to feed their families, to invest in their dreams, will not be in their families' budgets tomorrow but in the Federal Treasury's coffers.

By transferring $736 billion of tax relief you enjoy today out of your families' budgets into the Government budget, the Federal Government revenue baseline makes a huge leap, and from that a deficit projected at $229 billion in 2012 suddenly becomes a surplus.

Do tax hikes account for that swing in the deficit? We know spending has not been cut. In fact, we know spending is going up. So the only reason the budget could swing from a deficit to a surplus in 2012 is because something has happened on the revenue side. Judging how big the deficit swings to surplus, something big must have happened on the revenue side in this budget, and the facts bear that out.

At $736 billion, that tax hike in this budget is not only the biggest tax hike in history, but it is more than double the largest tax hike in history. In fact, this tax hike is two times the record tax hike of $293 billion that was enacted back in 1993 by President Clinton and a Democratic Congress.

In fact, it is interesting to note, because we are talking about $736 billion in the conference report, if you look at the House-passed budget resolution when it left the House and went into conference, the tax increase was $917 billion. At that level, that would exceed and be greater than all the revenues collected to run all the Federal Government budgets for 156 years—from 1789 to 1957, from Washington to Eisenhower. It is a huge tax hike. So from a budgetary perspective, we know that spending goes up, and we know taxes go up. It is not the Government that will be spending less. The only folks spending less under this budget will be the American taxpayers.

That leads to the next tax hike test: the view of the taxpayer. This one is easier, but it is also more painful, as we look at the IRS Form 1040 that most of us filled out a month ago. We can ask the hard question—those of us who filled out the Form 1040 in the last few weeks or months—if losing various tax changes constitutes a tax hike in the mind of the average taxpayer.

So let's take a look at the Form 1040 and the tax changes this budget is specifically based upon and would include.

Now, obviously, as I said earlier, the House-passed version was a $917 billion level. The report that has come out of conference is at a $736 billion increase in taxes. But if you look at it on a Form 1040, you can see—when we started this process, when the budget was passed earlier this year—it eliminated the marriage penalty relief that was enacted a few years back.

It took the dividend income and capital gains income a lot of people have realized when they have sold stocks, or perhaps seniors in particular who have dividend income, and it takes the increase, or the rate on dividend income, from 15 percent—boom—up to 39.6 percent.

Capital gains as well—as shown right down here on the form—if you look at capital gains, which currently is taxed at a 15-percent rate, that is going up. Your tax rate, right there, is also going up to 20 percent. So you have dividend income and capital gains income tax rates going up in both those areas in this budget.

Now, if you turn to the next page of the tax form, you can see other areas in the budget where taxpayers are also going to see increases.

The Senate Democrats in the conference have restored a few of the Senate-passed items in the Tax Code, which I will get back to in a moment. But where we started out in this whole thing was we saw the standard deduction, itemized deduction, mortgage interest deduction, charitable contribution deduction—all those sorts of things that normally taxpayers are able to take—those went down. If you look at the credit for childcare, which is $1,000 today, and in the original budget, that would have gone down to $500, so you would have seen a decrease in that area of the Tax Code.

If you look down to the earned-income tax credit, which a lot of our men and women in uniform, our soldiers, are able to take advantage of, that, too, would have been slashed and gone down.

You can go up and down this Tax Code, and you can pretty much see every area in the Tax Code that was addressed in 2001, 2003, 2005—the tax relief that has been provided to the American taxpayer—those tax cuts are all going to expire and tax rates and everything else is going to go back up.

Now, the last chart I wish to show you is the tax rate schedule, which I think is also important. I am going to come back to this in a minute because, in fairness to my colleagues on the other side, they attempted, in the Senate resolution, to restore, put back, some of this tax relief.

But if you look at the original proposal, as it came forward from the House, the 10-percent lowest tax rate in the rate schedule, which benefits the lowest income taxpayers in this country, would have been slashed all the way through, completely cut, gone—no 10-percent rate.

Now, as I said, in fairness to the Democrats in the Senate, they put that back in, in an amendment, or at least they have alleged to have put it back in at some point, so some of these tax relief items that were knocked out in the House budget resolution get restored.

But the one thing that is clear—they may have done something that, as I said, only time will tell if we are actually going to realize that benefit and have the 10-percent rate restored—the one thing that is clear is that in the tax rate schedule, every other tax rate is going to go up.

So today, if you are paying at the 25-percent rate, your taxes are going to go up to the 28-percent rate. If you are paying at the 28-percent rate, your taxes are going to go up to the 31-percent rate. If today you are paying at the 33-percent rate, your taxes are going to go up to 36 percent—from 33 percent up to 36 percent. If you are paying at the high rate—the 35-percent tax rate—today, when this is all said and done, your tax rate is going to go up to 39.6 percent.

So as you can see throughout the entire rate schedule—this is even assuming the 10-percent rate gets restored for low-income taxpayers—for every other taxpayer in this country, every other rate in the rate schedule will go up.

What does that mean? That means higher taxes for a lot of Americans across this country. On this basis, I think it is fair to say that typical taxpayers are going to say, yes, these changes constitute a tax hike on them.

Senate Democrats insist there is no tax hike in this budget. So who is right, the taxpayers or the Senate Democrats in their budget? Well, my colleague from North Dakota sees the Democratic budget probably less like a taxpayer, maybe more like a Budget Committee chairman. But this budget, as it was originally proposed, as I said, got rid of the 1,000 tax credit, the 10-percent rate. It got rid of the death tax relief we were going to experience. Their claim now is they put an amendment in the Senate budget, which was adopted in conference, that will restore $180 billion of tax relief that this budget assumed would expire.

Now, if, in fact, there is no tax increase in this budget, why was it necessary to go through the exercise of having an amendment to extend the existing tax relief, such as the 10-percent tax bracket or the child tax credit, or some of the death tax relief that was enacted a few years ago and that will expire in a few years? I think the Senate Democrats saw billions of tax hikes in this budget, such as the taxpayers did, and decided to extend some but not all the tax relief this budget would allow to expire.

Now, by the action of the Baucus amendment that was adopted here, there was an admission, I believe, by the Democrats that billions and billions of dollars of what average taxpayers would call tax hikes actually are in the Democratic budget. If that were not true, we would not have needed an amendment, the Baucus amendment, to attempt to restore some of the tax relief that is set to expire in a few years constituting, as I said earlier, the largest tax increase in American history.

So it looks to me like what happened was an attempt to try and camouflage or disguise what clearly is a very large tax increase on the American people. No matter how they try—we will put this other chart up here—this budget cannot camouflage or disguise the extent to which taxes are going to go up on the American people.

The purpose of this whole exercise in having an amendment that allegedly would, as I said, restore some of the tax relief, was to provide a figleaf, not for the taxpayers in this country but for the tax raisers right here in the Congress.

Again, I wish to illustrate this was the $916 billion in new taxes that came out of the House budget resolution. The bill that left here, the Senate, and which is in the conference report we have before us today, as I said earlier, attempts to restore some of that tax relief.

So what did our colleagues on the other side do? They took a figleaf and said: We want to provide some cover for people here in the Congress who want to see taxes go up. Yet with the American people, what the American people see is a figleaf because this is a figleaf for the tax raisers and provides no cover whatsoever for the taxpayers; that is, the American people.

So even if you say we are going to restore the 10-percent tax rate, some of the death tax benefit that would accrue—and if not extended would expire—even if we do some of these other things they say they have done in their budget, you cannot address all the additional tax increases that are going to happen in this budget.

Let's say you cover some of the child tax credit, let's say you do some of the death tax repeal, let's say you even provide some of the marriage penalty relief that was enacted in 2001 and 2003 and allow that to be restored, you still just make a small dent in the overall tax increase of $900 billion.

So what do we have? We have $180 billion basically put back, restored, to try to provide a cover or some figleaf for over $900 billion in tax increases. So what we have ended up with is a $736 billion increase as opposed to a $900 billion increase.

So the bottom line in all this is, the amendment that passed the Senate—the $180 billion in the conference report—provides some level of coverage. It provides a little cover. There is a little figleaf of coverage there. But in the end, for the American taxpayer, it is about one-fifth of the expected tax hike, and it looks pretty doubtful we will even realize that.

So let me, if I might, say—looking at the other chart on the Form 1040—even if you assume the Democratic amendment puts that $180 billion of figleaf coverage back in there and does something about the child tax credit—which was $1,000 and went down to $500, but they say it goes back to up to $1,000—you are still going to pay more taxes because you are going to lose some of your mortgage interest deduction in the area of itemized deductions. Let's say they did something on the alternative minimum tax which they say they help correct in their $180 billion fig leaf amendment, but you still are going to pay higher taxes on line 43 because your tax rates are going up.

So the point of this whole thing is that in the Tax Code, if you look at a typical 1040 and you are a taxpayer, it is very clear what is happening here. If you are a tax-raiser in Washington, DC, obviously you come to a very different conclusion. But if you are someone who is out there and you are looking at the Tax Code and you are looking at your 1040—and let's just pop up this other chart for these purposes one last time—and you are going through this exercise and you say: OK, gee whiz, they gave us the marriage penalty relief back, well, you are still going to see, if you have dividend income, that

going from the 15-percent rate up to the 39.6-percent rate. You are also going to see capital gains rates—if you have any kind of a mutual fund or anything like that which shows a capital gain, your tax rate is going to go from 15 percent up to 20 percent. You can't deny what is the reality of this whole exercise.

The other thing I will point out is that if you look at what works in terms of balancing a budget, it is pretty clear this formula isn't the one that works.

Back in 1997, I was a Member of the House of Representatives, and at that time, as we went through the process of balancing the budget, we had a Republican Congress, a Democratic President, and they agreed to a balanced budget plan that actually got the job done. In fact, the Republican budget plan President Clinton signed into law had two primary features: It had spending cuts of $263 billion, and it had $95 billion in tax cuts. So what did it do? It cut spending and it cut taxes. What was the result of that? Well, we saw the economy grow, we saw Government revenues grow, and pretty soon we were running surpluses.

This budget is very different from that one. This budget has $205 billion of new spending and, as I said earlier, $736 billion in new taxes.

So in 1997 when we had record spending cuts—$263 billion over a 5-year period, and tax cuts of $95 billion over a 5-year period—we saw a good result. We saw an economy that started to grow, we saw the Government start generating surpluses, and that is the exact opposite model of what we are talking about here today. We are talking about a budget today that increases spending by $200 billion a year, that increases taxes by $736 billion a year, and I think that ends up being a formula for higher spending, higher taxes, and a slower growing economy.

This budget is the mirror opposite of what was done in 1997 and yielded the good results that came as a result of a Republican Congress working with President Clinton at that time to get a balanced budget which actually cut taxes, which cut spending. Spending went down, taxes went down, the economy grew, we saw more Government revenue, and that is exactly what we would like to see out of this budget. But, as I said earlier, this budget is the mirror opposite of that budget. This budget increases taxes, it increases spending, and my fear is we are going to see the Government grow—which it will—and we are going to see the economy slow. I hope that doesn't happen, but I don't think, when you increase spending in Washington, DC, and grow the Government and increase and raise taxes, you are going to see the kind of effect on the economy we saw in 1997 when we cut Government spending and cut taxes.

I appreciate the opportunity to come speak to this budget resolution. I will join with many of my colleagues in opposing this because I believe it is the wrong formula for America's future. Higher spending, higher taxes, and more government is not what this economy needs, and it is not what the taxpayers of America need—the people who fill out those 1040s every single year. We ought to keep them in mind because they are the ones who are paying the bills.

With that, I yield the floor.

Mr. CONRAD. Mr. President, the Senator has a vivid imagination. I don't know what these charts refer to, but they certainly don't refer to the conference report that is before the body now. He has mixed up so many different proposals that have been before various bodies, but he has not referenced the matter that is before this body.

What is before the body is the conference report on the budget. The conference report on the budget does not increase spending; the conference report on the budget takes spending down as a share of gross domestic product, which all the economists say is the right way to measure because it takes out the effect of inflation. We are taking spending down from 20.5 percent, which is where they took it when they had control; they ran up the spending when they ran everything here. They controlled the House. They controlled the Senate. They controlled the White House. On their watch, they ran up the spending. We are taking it down, from 20.5 percent of GDP down to 18.9 percent of GDP. That is one of the key reasons we are able to actually balance the budget—something they have never done and something they still have no proposal to do. That is the fact. This is not increasing spending; this is taking spending down as a share of the gross domestic product.

Now, the Senator puts up charts that are people's tax returns and talks about this rate going up and that rate going up. There are no rate increases here. There just aren't. I know the Republicans have given this speech so many times, it is habit. So it doesn't really matter what the budget is; they just trot out the same speech they gave 5 years ago. The problem is it doesn't fit the facts.

The President said in his budget, by his own estimate, that he would raise $14,826 billion over the 5-year life of the budget. Our budget raises $14,828 billion—virtually no difference. Now, this is using his own agency's estimates, the Office of Management and Budget. We use the Congressional Budget Office on ours because they are the official scorekeeper for the Congress. If you put them on the same basis, the Congressional Budget Office basis, we do have 2 percent more revenue than the President's, but our revenue doesn't show up until beyond 2010. We are going to write another budget before then. This budget controls next year. There is no difference in revenue next year. There is no difference in revenue.

I don't know what speech you are going to give next year when there has been no tax increase. I know you will be terribly disappointed, because you believe that there has to be a tax increase. We are going to be here next year, and then we are going to have to trot out all of these speeches that have been given here. I am afraid some of those who have given these speeches are going to be terribly embarrassed.

Mr. SANDERS. Mr. President, would the Senator yield for about 3 minutes?

Mr. CONRAD. I would be happy to yield.

Mr. SANDERS. I would like to ask the Senator a question. Let me begin by thanking him as the chairman of the Budget Committee for his excellent work on the budget resolution. This conference report, despite what some may have heard, is a major achievement for our Nation's veterans, for children without health insurance, for the middle class, and for millions of Americans struggling to make ends meet. None of these achievements would have been possible without the strong work of Senator CONRAD, and I commend him as a member of the Budget Committee for all of his efforts.

As my colleagues know, one of the major issues I have been working on has been to expand federally qualified health centers in this country, and on that subject I would just like to ask the chairman the following question: Does the conference report accompanying the budget resolution assume that $2.6 billion in Federal funding would be provided for federally qualified health centers in fiscal year 2008—$536 million more than the 2007 level adjusted for inflation and $575 million more than the President's request?

Mr. CONRAD. Mr. President, I would say in response to the Senator that it does. This conference report includes the amendment that was offered by the Senator to increase funding for community health centers. As the Senator knows, this is one area of spending the President has supported. More than that, this is an area I think almost all of us believe has had remarkable success.

I have visited community health centers in my own State, and I have seen the remarkable work they are doing. In Fargo, ND, we have a community health center that is serving thousands of people and doing it in an extraordinarily cost-effective way. It is getting very good health care results for its clients.

So I was pleased to support the amendment of the Senator from Vermont. I think this is one of the most cost-effective things we can do to expand health care coverage for the people of our country and the people of our individual States, and I salute the Senator for offering that amendment. We vigorously defended that approach in the conference committee, and the conference agreed to support that level of funding.

Mr. SANDERS. Mr. President, I just want to thank the chairman very much, and I concur with everything he

has said. For 40 years, federally qualified health centers have provided high quality primary health care for millions of Americans, regardless of their income, and as the chairman just indicated, they do that in a very cost-effective way. If the Appropriations Committee provides this funding, at least 4 million more Americans would gain access to the high-quality, affordable primary care available in our Nation's health centers in a very short period of time, with millions more getting access as the new centers get up and running. I thank the chairman again, and I look forward to working with him and my colleagues to make this a reality.

Mr. CONRAD. Mr. President, I thank very much the Senator from Vermont, who is an extremely constructive member of the Senate Budget Committee and a fierce advocate for those things he believes in. He is somebody who has done his homework, and we appreciate that very much on the Senate Budget Committee. I thank the Senator from Vermont.

Mr. GREGG. Mr. President, will the Senator yield for a question?

Mr. CONRAD. I am happy to yield.

Mr. GREGG. Is the colloquy that just occurred part of the increased spending that doesn't occur in this budget?

Mr. CONRAD. Mr. President, let me just say that the spending in this budget, as I have said over and over—and I will be happy to put up the chart again—spending as a share of gross domestic product goes down under this budget each and every year. It goes down from 20.5 percent of GDP to 18.9 percent of GDP.

The Senator will recall it was on their watch that, not only did the spending go up dramatically, but the revenue stagnated. The result was to explode the debt of the country. That is the record of the other party. Unfortunately, it falls on our watch to begin to clean it up, and this budget does so.

Mr. President, is the Senator from Texas prepared?

The ACTING PRESIDENT pro tempore. The Senator from Texas is recognized.

Mr. CORNYN. Mr. President, with the permission of the bill managers, I would like to yield myself 10 minutes.

Mr. GREGG. Mr. President, was the Senator from North Dakota yielding time to the Senator from Texas?

Mr. CONRAD. No.

Mr. GREGG. I just got that impression, so I was willing to remain silent as the Senator from North Dakota yielded the Senator from Texas time.

Mr. CORNYN. Since I didn't hear any objection, I was assuming we were proceeding.

Mr. GREGG. I yield 10 minutes to the Senator from Texas.

Mr. CORNYN. I appreciate that. Listening to the comments of the distinguished chairman of the Budget Committee, just trying to summarize it, reminds me of a saying in my part of the country—and I will bet it is the same in his part of the country—the most feared words in the English language are ''I am from the Federal Government, and I am here to help.'' That is basically how he summarizes this budget: We are just here to help the American people.

The problem is that this budget puts us on a tax-and-spend budget, which is really the worst of both worlds. It dramatically grows the size of Government over the next 5 years. This is not just 1 year, this is a 5-year budget, and it contemplates a record increase in taxes and explodes the debt. It contemplates the largest tax hike on the middle-class families and farmers and entrepreneurs in our Nation's history—about $736 billion over the next 5 years.

Unfortunately, this tax increase will take place without a vote of the Congress because what it will do is take advantage of expiring temporary tax relief we passed back in 2003 which has produced an economic explosion in this country and the creation of about 7.8 million new jobs just over the last 4 years. We all know this tax relief has helped the economy grow and create jobs.

On this point, I am especially disappointed that this conference report does not include an amendment I authored which passed the Senate on a bipartisan vote by 63 to 35. That amendment, which is not included in this conference report, created a 60-vote budget point of order against any legislation that raised income tax rates on taxpayers, including middle-class families, college students, and entrepreneurs. In addition, the Senate unanimously voted to instruct its conferees to include the point of order in the conference report. But, once again, I guess we are asked to suspend our disbelief because here in Washington, inside the beltway, things happen differently.

We pass amendments by a vote of 63 Senators, we unanimously vote to instruct conferees to include that point of order in the conference report, and that prohibits an increase in tax rates unless at least 60 Senators agree; and, miraculously, it doesn't appear in the conference report.

While I am aware of the procedural ramifications, I think it would have been a powerful message for the Senate to make taxpayers across the country, to make this point to them that, as the chairman of the Budget Committee has said, there will not be an increase in taxes, to reassure them that there won't be. But, frankly, I think the numbers belie some of the statements being made, to the extent that we are not contemplating tax increases over the next 5 years, when in fact this budget contemplates a historic increase in taxes, just to be able to keep up.

The fact is this amendment highlights an essential point—that 63 Members of the Senate, a bipartisan majority, believe tax rates should not be raised. Unfortunately, the way I read this budget, it does contemplate dramatic increases in taxes, and I don't see anything else at the end of the day happening.

Finally, a few comments on the spending side of the ledger. While the chairman said there will not be higher rates next year under this budget, there will be, with no question, higher Government spending—approximately $23 billion above what the President requested, which I may add is not paid for, which goes directly to the debt. In other words, it is an IOU we hand down to our children and grandchildren. In fact, this budget contains billions of dollars in new spending on Washington programs—$205 billion over the President's request over the next 5 years.

When it comes to entitlement reform, this budget does absolutely nothing to address the $69 trillion long-term entitlement crisis we are facing. I wonder when things are going to change around here, when our rhetoric is matched by action. We on this side of the aisle have said we are determined to work with our colleagues on the other side of the aisle to deal with this growing mountain of entitlement spending and debt. Yet we are told, no, not this year, maybe some time in the future.

My question is: If not now, then when? We need the answer to that question. The American people need an answer to that question because the debt continues to pile up through uncontrolled spending on entitlement programs that are on auto pilot, and the bill is being sent to our children and grandchildren. That is wrong and we need to fix it. If not now, I wish to know when.

In fact, if we do nothing over the next 30 years, we won't have a dime to pay for anything else, except four things: Social Security, Medicare, Medicaid, and a part of the interest on the debt. We will not have the resources necessary for other important priorities such as national security, fighting the global war on terror, securing our borders, veterans health care, or education.

For these reasons, I cannot support this budget, which would dramatically increase spending and return us to an era of big Government, known as tax and spend. It passes the IOU down to our children and grandchildren and, at the same time, increases the debt by $2.5 trillion.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, I yield 15 minutes to the Senator from Michigan, who, by the way, is an extremely valuable member of the Budget Committee and has played a very constructive role in this process. I thank the Senator for her assistance at every step in the budget process.

The ACTING PRESIDENT pro tempore. The Senator from Michigan is recognized.

Ms. STABENOW. Mr. President, I appreciate the kind words of the chairman. It has been a pleasure working with him and knowing that, given what he has had to deal with, in terms of the lack of budget resolutions and the deficit that has been created, he has done an extraordinary job of putting the fiscal ship of state back in order. It has been a pleasure to work with somebody who is grounded in what is important to the American people.

I find it so interesting; first, there is all of the rhetoric that is thrown around about Government, about tax and spend. What we have seen in the last few years has been a borrow-and-spend mentality—basically not paying for what we are spending. We had a $5.6 trillion surplus when I came into the Budget Committee in 2001, with President Bush coming into office. He was handed a $5.6 trillion surplus—a pretty nice gift for somebody coming into office. We debated what ought to be done with that. Unfortunately, a more balanced approach to focus on middle-class tax cuts, to grow the economy, investments in science, health care, education, and jobs, and putting some money aside for Social Security, for the long term, was rejected. That was our plan, but it was rejected by the majority at the time. Instead, a plan was put into place that has borrowed and spent us into the largest deficits in the history of the country.

When you look at the total debt right now, we are looking at a debt that is estimated to be $9 trillion by the end of this year. What concerns me as well about that is, who is buying that debt? Half of our foreign debt is owned by two countries, China and Japan. They turn around and don't follow the rules on trade. They manipulate their currency, which means their products come in with big discounts and compete unfairly against American workers and businesses. When we ask the administration to get tough, they don't do it. Why? Because it is pretty tough to try to enforce it.

This huge deficit that has been created is not only something we need to be concerned about from a fiscal standpoint, but jobs and what is happening in the global economy and our ability to fully enforce our trade laws—that is also impacted. That is why I am so pleased at what we are seeing with this budget resolution.

We have not had a budget resolution for a few years. When our colleagues were in charge, there wasn't one put together for a number of years. But now we have made a commitment to put together a budget resolution that is based on a couple of very important principles: first, a return to fiscal discipline. We are going to stop digging that hole that has put us into a deficit, and now we are going to work our way back out to fiscal responsibility. In fact, our budget comes into balance within 5 years. I am proud of that.

Secondly, we are putting middle-class families first. Throughout this budget, whether it be tax cuts or investments in education, or whether it be health care for our children, or making sure we fund law enforcement, or whether we are fully funding the military or homeland security, we are focusing on Americans and middle-class families—the folks who are working hard every day, who have been saying, hey, what about us? We have seen jobs go offshore and more and more dollars going to fewer and fewer people, in terms of spending. We have turned that around.

This is a new direction. I am very proud of the work that has been done with the House and the Senate. I am proud of our leader, Senator REID, and our leader on the budget, Senator CONRAD, who has done such an extraordinary job.

What are the elements we have put together relating to the budget? There are many pieces. We basically reversed what the President has done in terms of cuts in investments in Medicare and Medicaid and the COPS Program and a variety of others. Start with this. Basically, there are six areas we have focused on:

First, a return to fiscal responsibility. We put into place something called pay-as-you-go. At my house, it was called common sense, paying the bills and not spending more than you had coming in. That process has been put back into play so we can, in fact, balance the budget and return to fiscal responsibility.

We also have made investing in education and innovation a top priority. We know we are in a global economy and we are in a time and place where it is harder and harder for families to be able to afford college. Yet college is needed more than ever for advanced skills, for people who are going back to work, or for those who need to train for another type of job; and education from preschool and Head Start all the way up to college is a critical part of investing in the future of our country. America's young people are competing with students from around the world. We are competing in a global economy. Higher skills and focusing on education and opportunity are essential. So is innovation, because we know we have been the engine of great ideas. We have to keep that up, whether it is the National Institutes of Health or whether it is the advanced technology program relating to manufacturing technology—all kinds of ways in which America has been the leader. To maintain that, we have to make an investment, as any individual business makes an investment in the future, in innovation and ideas to be able to create more jobs. Our budget says we are going to return to fiscal responsibility and put education and innovation at the top for our families and for our future.

Then we are making a major commitment to cover health care for children. In fact, this budget puts a major commitment forward for the next 5 years of this budget resolution to cover every child with health insurance. We are talking about children of parents who are working. They may be working one or two jobs or three jobs, and we know the average single parent—the average mom today, to make ends meet, has to figure out how to work three different minimum wage jobs, and they probably don't have health care. We don't think it is right that in the greatest country in the world, the wealthiest country in the world, moms and dads are going to bed at night saying, please, God, don't let the kids get sick. Please help our son not break his arm and have to go to the hospital because he has been playing sports or don't let our daughter get sick or hurt playing in sports and break a leg.

We want to make sure every child in America has health insurance. We make that commitment in this budget to fully fund SCHIP, the children's health care program. That is a down-payment on making sure we provide health care for everybody.

In this budget, we start with children, making sure every child in America has access to health care. Then I hope we take the next step within the next couple of years to do what needs to happen, which is to fundamentally say health care is a right and not a privilege in the greatest country in the world, and fully provide access to health care for every American. So we have education and health care as an investment.

Then we do something incredibly important, which I think every American agrees with and, frankly, is shocked hasn't been done in previous budgets in the last 6 years under the previous majority and this President, and that is we are going to keep our promises to our veterans. We have 50 different veterans organizations, service organizations, supporting what we are doing because we are taking their numbers about what is needed. They put together a budget called the independent budget, and they estimate how many new veterans are coming home from the war and how many current veterans are going to need help. For the first time, we are meeting that number on health care and in other areas, which is critical. We are saying we are going to keep our promises to our veterans, and the American people want us to keep our promises.

By the way, all of these things are not ''Washington'' or ''Government.'' It is all of us together. It is what we do in a civilized society, the greatest democracy in the world. We come together and decide how to allocate the precious resources. That is what we are doing. How do we invest these in a way that keeps our promises to veterans and creates opportunity for the future, for the American dream and for people in this country? We have a very important provision; we have middle-class tax cuts. We make sure the middle-class tax cuts that have been passed and are in place under the child credit and the marriage penalty and the tax cuts that

affect middle-class families are extended.

We make sure that we put our focus where it ought to be—on middle-income families—because those are the folks being squeezed, those are the folks who are seeing their college costs go up, their health care costs go up, if they have it at all; their wages go down, if they have a job; their gas prices go up, and Lord knows they are going up and up and up. So it is our working families, our middle-class families, those who are barely scrimping by who are seeing all these costs descend on them.

When we look at that, we say we ought to make sure they are the ones who get the break. That is what our budget does.

Finally, we make sure we reverse the President's continual assault on the COPS Program and on other key investments in health care and technology, areas where every year the President has tried to eliminate, cut back. We have now in Michigan, since 2001, 1,600 fewer police officers on the streets. People can't believe that since 9/11 we actually have fewer police officers—and that number has been going up—on our streets in our communities than we had before 9/11.

We reject the President's further cuts in law enforcement. We restore those dollars. We put back dollars, we increase dollars for homeland security.

That is the picture. This is a picture of responsibility. We want to be fiscally responsible and, at the same time, we want to focus on putting middle-class families first. That is what our budget is all about.

Also, it is true there are some areas of the budget where we are raising revenue, and that comes in the category of closing outrageous tax loopholes for businesses and individuals who owe taxes, which is estimated anywhere up to $345 billion, folks who decided to take the money offshore, take the jobs offshore.

Our chairman has shown so many times the picture of the building in the Cayman Islands with over 12,000 businesses saying that is their business location. Obviously, it is not. We don't think they ought to get away with that.

Middle-class families, the majority of the people in this country, have a right to know if they are following the law, if they are paying their taxes, that we are making sure everybody is following the law and paying their taxes.

So, it is true, we do take some dollars from those folks who cheat, who leave the country, who too many times take jobs with them, and we say: You know what. You need to follow the law like everybody else. We take those dollars, and we put them back into making sure that education is available, health care for every child, police officers, firefighters in our communities, paying for our armed services, keeping our promises to our veterans. I call that setting the record straight, turning things around, and creating the right kind of priorities for our country. The budget is always about values and priorities. That is what it is, it is about values and priorities.

I am very proud of the values and priorities reflected in this budget.

The PRESIDING OFFICER (Mrs. MCCASKILL). The Senator has used 15 minutes.

Ms. STABENOW. Madam President, I urge my colleagues to join with us in this new direction set by this budget for the families of America.

Mr. OBAMA. Madam President, I rise today to speak about the conference agreement on the budget resolution that was just passed by the House of Representatives this afternoon.

This budget makes an important departure from the irresponsible budgets of the recent past and begins to restore balance. Instead of gutting programs that help our most vulnerable citizens and communities, this budget enables these programs—like the State Children's Health Insurance Program, the Low-Income Home Energy Assistance Program, Medicare, COPS and others—to keep serving those who rely on the commitments our Nation has made to help all its citizens. Instead of gimmicks and passing the buck to others, this budget brings greater transparency and responsibility back to Washington.

I am supporting this agreement as an important step in getting America's budget back on track. A large part of getting back on track is reinstating the pay-go rule in the Senate. Under pay-go, Congress will not be able simply to pass along the debt to future generations for the choices we make today. We will have to be accountable for paying our own bills and collecting our own revenue. Pay-go by itself will not bring our budget back to balance, but it will help those of us committed to fiscal responsibility to keep budget deficits from getting worse.

When I talk to families in Illinois and across the country, I hear the same sets of concerns and aspirations. The people I meet want affordable health care for themselves and their children. They want a quality education for their children. They are concerned about our national security and our domestic security. They want to retire with dignity. They are concerned about the costs of this war in the thousands of sacrificed lives and the hundreds of billions of dollars borrowed from abroad. They are concerned about their own credit card debts and our rising national debt.

The failure of our nation to guarantee access to affordable health care for children is shameful. This budget rejects the President's proposed cuts to the State Children's Health Insurance Program and makes children's healthcare a priority for Congress.

The security of our Nation is a critical priority, and honoring our veterans is our moral obligation. This budget fully funds our Defense and Homeland Security funding needs and makes it possible to provide the quality health care and services that our veterans deserve.

This budget calls for strong new measures to close the tax gap, shut down tax scams, and address offshore tax havens. I am particularly pleased to see the strong support for improved mandatory reporting by brokerage firms of the adjusted cost basis of their clients' stock, bond, and mutual fund investments.

During the Senate debate on the Budget Resolution, two of my amendments were adopted to increase summer-term education funding and to promote carbon sequestration technology. I am pleased that the conference agreement has laid the foundation to accommodate legislation that I have introduced in these important fields.

This budget fully funds the President's request for defense spending while prioritizing improvements in veterans health care, children's health coverage, and education. It eliminates the deficit by 2012 and reduces spending as a share of GDP. And it does this without raising taxes or requiring deep cuts to critical government services.

This budget demonstrates that we can rise above ideology and gimmicks and begin tackling the serious challenges we face as a nation. I commend the outstanding leadership of Chairman CONRAD and the good work of the House and Senate conferees.

I hope my colleagues will join me in voting for this conference agreement.

Mr. BUNNING. Madam President, I would like to talk today about the House-Senate budget resolution, S. Con. Res. 21, and the many reasons I oppose it. Overall, the budget resolution contemplates a staggering amount of spending: $15.5 trillion of total budget authority from fiscal year 2008 through fiscal year 2012. In fiscal year 2008 alone, the resolution provides for nearly $3 trillion in spending, yet a significant part of that spending is unfunded, or it comes from the Social Security surplus.

On its face, the budget resolution increases the gross debt by $2.5 trillion over 5 years, but this figure understates the true impact of this misguided decision on our economy. In order to fund $2.5 trillion in additional national debt, the Treasury Department will have to sell Government bonds. Its demand for credit will drive up interest rates, making homes more expensive and curtailing economic activity that creates jobs. There is no restraint. The resolution calls for $205 billion more in discretionary spending than called for in the President's fiscal year 2008 budget.

Not content to ''tax'' Americans with the higher interest rates that will result from deficit spending, the authors of this resolution are endorsing real tax increases as well. The budget resolution's failure to provide for extension of the 2001 and 2003 tax cuts will result

in an enormous $736 billion tax hike on families, seniors, and businesses.

True, the resolution provides for the extension of certain popular tax cuts that Congress enacted, such as the child tax credit, but it also places a substantial new obstacle in the way of enacting even these cuts. This is the so-called trigger mechanism that Chairman GREGG and others have discussed in detail.

Finally, even with the higher interest rates, tax increases, and procedural barriers to tax cuts this resolution contains, it still relies on raiding the Social Security surplus to achieve the appearance of budget balance at the end of the day. I tried to stop this by including language in the Senate passed version of this resolution, but unfortunately, the conferees took this provision out of the final bill.

Get ready, America. Your taxes are about to go up.

Mr. LEVIN. Madam President, assuming this budget resolution conference report passes today, it will be only the second time in 5 years that Congress has finalized a budget. The annual budget resolution sets forth the necessary blueprint for the Government's spending and revenues, and I am pleased that we have an agreement to vote on this year. I am also pleased that it is a plan that can help put us back on a fiscally responsible path.

For too long now we have been digging deeper and deeper into a ditch of debt. President Bush's budget submitted to Congress in February would continue that trend by increasing the gross federal debt by nearly $3 trillion to $11.5 trillion by 2012. That's $38,000 per person. The budget resolution we are considering today can help reverse that trend.

The resolution reestablishes a strong pay-go rule, which would require any new spending or tax cuts to be paid for elsewhere in the budget or receive a supermajority of at least 60 votes in the Senate. While I know that balancing our many priorities will not become easier under this pay-go regime, I welcome its return. I am also pleased that this budget establishes a new 60-vote point of order against long-term deficit increases.

This budget also sets a blueprint for going after our country's massive $350 billion tax gap, which is the difference between the amount of taxes owed by taxpayers and the amount collected. One of the primary tax gap areas I hope Congress will focus on this year is the offshore tax haven and tax shelter abuses that are undermining the integrity of our tax system. I commend Chairman CONRAD and the Budget Committee members for their willingness to take on and push Congress to address these complicated areas. There are many ways Congress can go about tackling these problems, and I hope that one of them will be to enact the Stop Tax Haven Abuses Act of 2007 that I introduced earlier this year with Senators COLEMAN and OBAMA. Our bill would crack down on a number of the offshore abuses that shift the tax burden onto ordinary taxpayers, and would be a big step toward achieving fairness in our tax system.

This budget resolution also works toward fairness in our tax system by assuming an extension of middle class tax cuts, including extensions of marriage penalty relief, the child tax credit and the 10 percent bracket. It also assumes a year of alternative minimum tax relief and estate tax reform for small businesses and family farms. While the bulk of the President's unaffordable tax cuts since 2001 have benefited only the wealthiest among us, the tax cuts assumed in this budget are aimed at helping working families. I believe they are an important part of any economic plan and should be continued.

On the spending side of the ledger, I am pleased that this budget resolution supports our men and women in uniform both in the national defense program and the additional costs of operations in Iraq and Afghanistan.

I am also pleased that this resolution includes the resources needed to ensure that our veterans get the health care they deserve. In total, the resolution provides more than $43 billion for the Veterans Affairs healthcare system—$3.6 billion more than President Bush's budget.

I am also pleased that this budget provides a $50 billion increase over 5 years for the Children's Health Insurance Program, SCHIP, to expand children's health care and make sure states can maintain current caseloads. Making sure children have adequate health care should be one of our nation's top priorities. Unfortunately, President Bush's SCHIP budget proposal would have lead to the loss of critical coverage in many states. The Secretary of the Department of Heath and Human Services has even admitted that the intent of the President's proposal is to decrease the number of children enrolled in SCHIP. It is imperative that we reject that inadequate proposal, and this budget resolution does that.

This budget also represents a significant improvement over the President's budget for education. For 2008 alone, it provides an increase in discretionary funding for the education and training function of $9.5 billion above the President's request. That means more funds for Pell grants, IDEA, and No Child Left Behind Act than the President requested. It would be shameful to fail in our responsibility to our children by adopting a spending blueprint that does not provide our schools the resources they need.

It is a welcome change to be voting for a budget resolution that can change the failed fiscal policies and irresponsible tax cuts pushed by this administration. This resolution can help pave the way for important investments in America's future to put our country back on track and to begin the long process of climbing out of the ditch of debt.

Mr. ENZI. Madam President, as the Senate debates the fiscal year 2008 budget resolution conference agreement, I want to first acknowledge the hard work of Chairman CONRAD and Senator GREGG throughout this fiscal year 2008 budget cycle. While I do not always agree with the chairman of the Budget Committee, I do appreciate the hard work it takes to get a budget through Congress.

I also want to acknowledge the importance of writing and passing a budget resolution. This document is a vital part of the operation of Congress. It sets a fiscal blueprint that Congress will follow for the year and establishes procedural hurdles when these guidelines are not adhered to. Because this is such an important document, I am even more disappointed with the fact that this was not a bipartisan process.

Not being included in the crafting of this budget is far less important than the fact that this budget does little to help our economy. From the day we marked up this budget in committee, this document has been a tax-and-spend, big-government budget. It also fails to make meaningful reductions in mandatory spending—even though our Nation's mandatory health programs are growing each year by more than 6 percent, an unsustainable level.

It is not right to overspend now—and pass the bill on to our children and grandchildren to pay later. It is regrettable that during this budget debate, the Senate was unable to work across party lines and do more to shore up our economic future.

As my colleagues may know, this conference report contains a reconciliation instruction for the HELP Committee, where I serve as the senior Republican senator. This reconciliation instruction directs the HELP Committee to produce $750 million in deficit reduction over 6 years. The Senate-passed resolution did not contain any reconciliation instructions. However, the House-passed budget did contain such an instruction that called for $75 million in savings. Reconciliation became a ''conferencable'' item because the differences between the two Chambers needed to be resolved.

Recall that during Senate consideration of the budget resolution this year, we never debated reconciliation. Chairman CONRAD chose not to include it in his budget. That was his choice. He held hearings earlier this year relating to our Nation's long-term fiscal challenges, and I commend him for that. Health and Human Services Secretary Leavitt testified before the Budget Committee in March that the demand on Federal general revenues for Medicare, Medicaid and Social Security exceeds $50 trillion—that is trillion with a ''t''—over the next 75 years based on current law and program operations. But the Senate-passed budget, which I voted against, failed to address these challenges.

Now today we are debating a conference agreement that directs the HELP Committee to reduce the deficit by just $750 million over 6 years. Mr. President, I said million, with an ''m.'' I would like to explain to my colleagues what is really going on in this budget.

In his fiscal year 2008 budget request, the President proposed nearly $18 billion in savings related to higher education. Most of these savings are achieved by cutting subsidies the banks are currently receiving. Democratic leadership is also looking at reducing many of these same subsidies in the $20 billion range and possibly even larger.

This conference agreement allows for these mandatory higher education proposals to be advanced through the reconciliation process. That means limited debate, strict germaneness requirements on amendments, and a simple majority vote to pass the bill. But with just a $750 million savings requirement, the process will be used to fast-track massive new entitlement spending. A more honest reconciliation and deficit reduction debate would be to limit the new spending in a reconciliation bill to 30 or even 40 percent of the total savings. But right now this budget is teed up to allow $20 billion or more in new spending, with the deficit reduction component amounting to merely a rounding error in a gigantic spending proposal.

I wrote a reconciliation bill in 2005 when I had the privilege of chairing the HELP Committee. The title that I authored reduced the deficit by $15.5 billion over 5 years. In addition to the deficit reduction, the bill created new mandatory grant aid proposals, academic competitiveness and SMART grants. It also increased loan limits so students could better finance their education. That reconciliation bill spent roughly $9 billion on brand-new student benefits, all fully paid for. About 40 percent of my total savings was spent on new programs, and the remaining funds paid down the deficit.

But this budget we are debating today says if the majority party can find $20 billion or even $30 or more billion in savings, they can fast-track and spend 95 percent of those savings. This is an offensive use of the reconciliation process. This year, if just one-half of the Senate authorizing committees could equal the level of deficit reduction that the HELP Committee achieved in 2005, the deficit would be reduced by an additional $100 billion.

During the Budget Committee and floor consideration of the resolution, I also spent a great deal of time on health-related issues. I am greatly disappointed that this conference agreement contains a deficit neutral reserve fund that encourages repealing the ''non-interference'' clause from the Medicare law. This is an issue that came before the Senate a few weeks ago and failed. It failed because it is bad policy. The ''non-interference'' language in the Medicare law prevents the Federal Government from fixing prices on Medicare drugs or placing nationwide limits on the drugs that will be available to seniors and the disabled. I support this language 100 percent, but this conference agreement supports striking this language that protects patients. Decisions on what drugs should be available should be made by seniors and their doctors, not by politicians.

I am happy to see, however, that this conference agreement retains the reserve fund for health information technology legislation that I worked to get into the Senate budget resolution. The HELP Committee is currently working on a bill to increase the widespread adoption of health IT. What does that mean? That means we are working on a bill that will eventually do away with clipboards in doctors' offices. Every time I go to the doctor, someone hands me a clipboard to fill out everything I can remember about myself. This is no easy task, and as I get older, this task gets even harder. Wouldn't it be great if, instead, doctors had electronic medical records that could keep track of this information for me, if my doctor's computer in Wyoming could talk to my doctor's computer in Washington? Well, the bill I am about to introduce is the first step in making that happen. And if that does happen and most of the doctors and hospitals in this country start using health IT, the RAND Corporation estimates we could save between $80 and $162 billion a year. That is amazing savings, and I am happy to see that this language was included in this conference agreement.

I am also pleased to see that the conference agreement includes a deficit-neutral reserve fund for improvements in health insurance coverage. This spring, I have been talking to my colleagues on both sides of the aisle about writing legislation that reduces the number of uninsured, improves health care quality and access, and reduces the growth in the cost of private health insurance by facilitating market-based pooling across State lines. My hope is that a commonsense proposal similar to this would meet the criteria established in this reserve fund.

As we move forward and complete this resolution and start working on the fiscal year 2008 appropriations bills, I wanted to mention a few programs that are important to Wyoming.

As our Nation's most abundant energy source, coal must play a central role in electrical generation for years to come. In order for that to happen, we need to continue finding ways to make coal generation cleaner. Programs like the Clean Coal Power Initiative will play a major role in making that happen, and so I support increased funding of this program.

We also need to see proper funding of the Federal loan guarantee program. Federal loan guarantees can play an important role in developing new energy projects. It is my hope that we can provide enough funding to get some of these projects off the drawing board, and most specifically, I hope that we provide funding to the Department of Energy to move forward with loan guarantees for coal-to-liquids projects. Coal-to-liquids technology has the potential to help reduce our Nation's dependence on foreign energy barons and should be explored.

In addition, funding for rural air service and maintenance is essential for States such as Wyoming. Without Federal support through essential air service and airport improvement programs, many rural communities would have no commercial air service and extremely limited general aviation. I hope this issue will be part of the debate on the reauthorization of the Federal Aviation Administration this year. I encourage my colleagues to recognize the importance of this funding, not only as a matter of dependability but also as a public safety issue.

I want to mention two additional issues of great importance to Wyoming and other rural States: housing and homelessness. The McKinney Vento Homelessness Assistance Act is the primary law through which Congress funds homelessness programs in the United States. Unfortunately, rural States have historically received very little of this money. Yet rural States must confront homelessness too, and the geographic size of our States further complicates our efforts. In response to this, Congress authorized the Rural Homelessness Grant Program in 1992 under the McKinney-Vento Act. This program provides funding for transitional housing and education services in rural States, as well as rental or downpayment assistance. The intent of this program is to level the playing field between rural and urban States. Unfortunately, this program has never been appropriated funds since its creation, so the purpose of this program has never been fulfilled and rural States continue to suffer. This can be a valuable program for rural States like Wyoming.

I would like to briefly call attention to the Small Business Administration. I serve on the Small Business Committee and enjoy using my small business experience to help make a difference in the lives of many people in Wyoming and throughout the country. We are working in Wyoming to stabilize and steadily grow our small businesses through the utilization of the Small Business Innovation Research, SBIR, Program. The risk and expense of conducting serious research and development efforts are often beyond the means of many small businesses, especially rural small businesses. By reserving a specific percentage of Federal R&D funds for small business, SBIR enables small businesses to compete on the same level as larger businesses and stimulate high-tech innovation in their rural States.

The FAST and Rural Outreach programs are congressionally authorized

programs that provide technical assistance that helps Wyoming's small businesses utilize the SBIR Program.

Finally, the Agriculture Committee has a big task in reauthorizing the farm bill this year. Writing a tight budget that will help us reach our long-term fiscal goals is a priority for me. Though you cannot tell by the name, the farm bill affects the lives of many unsuspecting Americans. Policies and projects for distance learning, conservation, food assistance, renewable fuels, and our forests are provided for in the farm bill, in addition to the well-known commodity programs.

So in closing, I want to inform my colleagues that this is not a courageous budget. It fails to make the tough choices and it passes the debts we carry today on to our children and grandchildren. I urge my colleagues to oppose this budget and vote no on the conference agreement.

Mr. AKAKA. Madam President, I express my strong support for the conference report on the fiscal year 2008 budget resolution. I also take this opportunity to congratulate Chairman CONRAD and the other conferees for their hard work on this resolution. This resolution reflects our commitment to fully fund veterans' health care and benefits.

This budget resolution would provide $43.1 billion in fiscal year 2008 for the VA discretionary account—$3.6 billion more than the President requested. I am very pleased that the conference report follows the recommendations of the Democratic and Independent members of the Committee on Veterans' Affairs to provide $2.9 billion over the President's request for veterans' medical care alone. This includes an additional $303 million for treatment of traumatic brain injuries, and $693 million for VA mental health programs—two areas of vital importance to servicemembers returning from Operations Iraqi and Enduring Freedom.

I also thank the Budget Committees for rejecting the President's proposals to impose an annual enrollment fee for VA health care and to increase the prescription drug copayment. These proposals would have unduly burdened thousands of veterans who cannot afford higher costs for the health care they have earned and deserve.

I again commend Chairman CONRAD and the other conferees for their work on the budget resolution, and for sending the right message to our Nation's veterans. We have made a commitment to their care, and this resolution honors that commitment. I urge my colleagues to support swift passage of the resolution before us today.

Mrs. FEINSTEIN. Madam President, I rise today to offer my support for the fiscal year 2008 budget resolution.

Last year, under the leadership of the President and his party, Congress failed to pass a budget resolution. The result was a failed budget process from start to finish, and Congress adjourned without passing 10 of 12 appropriations bills for fiscal year 2007.

Under Democratic leadership, the Senate passed a continuing resolution that funded fiscal year 2007 Government programs and sent an emergency supplemental appropriations bill to the President to give our troops over $95 billion in vital support.

I was disappointed that the President chose to veto the Appropriations bill, which called for benchmarks for the Iraqi government and funded our troops at a level higher than his initial request. But the Democratic majority signaled its willingness to fund the troops and fill the gaps left by the Republican Congress.

Now the Senate has taken the next step toward fiscal responsibility. We have a sensible fiscal year 2008 budget resolution. The $2.9 billion budget in fiscal year 2008 projects revenues expected to total $14.828 trillion over 5 years, only 2.1 percent above the President's expected revenues of $14.826 trillion.

This resolution corrects many of the misplaced priorities of the Bush administration and the Republican Congress.

These misplaced priorities include over $1 trillion in tax cuts, tax cuts that will cost $3 trillion more if extended over the next 10 years.

When President Clinton left office, the national debt was projected to be eliminated by 2010. These misplaced priorities created a $248 billion deficit this year, and an $8.9 trillion debt.

This budget resolution restores funding for over 141 programs slated for cuts or elimination by the President in his budget proposal. These were painful cuts that we have seen year after year under the Republican majority.

The proposed cuts were to programs vital to Californians and the American people. Programs like the Community Development Block Grant, Community Oriented Policing Services, and the State Criminal Alien Assistance Program. These do not sound to me like frivolous programs.

Unlike the President's budget proposal, this budget will create a surplus in 2012 and is near balance a year before that. This budget refocuses our priorities, extending the middle class tax-cuts and alternative minimum tax relief, and increasing veterans' and children's health care funding.

In fact, this budget provides over $43 billion for veterans' programs, $3.6 billion more than the President requested for 2008 and the largest increase ever provided for veterans. This is in accordance with a request of four leading veterans groups and a recommendation from the American Legion.

It also provides up to $50 billion to expand SCHIP coverage for children eligible for the program. Both of these increases help the people most vulnerable and most in need.

This budget restores a fiscally responsible pay-go rule that requires offsets for new spending or expensive tax cuts.

This budget adds $9.5 billion to help fund education, including higher education, to help increase the competitiveness of our students in an increasingly globalized world. We know there is a problem with education in the United States, and this budget looks to address it.

This budget allows for the committees to secure increased funding for programs like the State Children's Health Insurance Program, Medicare, Medicaid, middle-class tax relief, education, alternative energies, and other important priorities.

It also allows for a deficit-neutral reserve fund for the San Joaquin River Restoration Settlement Act, a provision I and my colleague Senator BOXER requested. This broadly supported bill will help bring about tremendous progress in the restoration of a waterway vital to the state of California, and the reserve fund will help ensure that we fund the restoration in the correct manner.

This budget is not perfect, and I am deeply concerned about the long-term fiscal implications of irresponsible tax cuts and a seemingly endless war. We are faced with a tremendous wall of debt, created by misplaced priorities and poor planning.

We must now turn to reversing the damage. This problem will not fix itself. We need to act now to reduce our budget deficit and pay down the debt.

The elimination of the deficit will not happen in one year, but will take years of careful planning and prioritization to ensure the best return for our Federal dollars. But I am encouraged that this budget will both fund the most beneficial programs and start us on the path of fiscal recovery.

Congress faced many tough choices in crafting this budget, and we have a long and difficult road ahead.

The budget resolution cannot provide permanent alternative minimum tax relief or even fully fund the most critical programs.

But it is a start. It refocuses our priorities. And it begins to reverse the years of damage.

I encourage my Democratic and Republican colleagues to consider the responsibility that the American public has given us. A responsibility to act in the best interest of this Nation. To pass a sensible and reasonable budget, and to use that budget as we craft and pass the appropriations bills in a reasonable amount of time. This budget fits that charge, and I hope my colleagues will join me in supporting the fiscal year 2008 budget resolution.

Mr. HATCH. Madam President, I wish to express my deep disappointment in the budget resolution conference report. It is a deceptive and defective declaration of flawed priorities that ignores this country's biggest challenges. If we follow this budget through to its natural conclusion, it will lead us from our current path of economic growth and prosperity onto a treacherous road to tax increases, economic recession, and needless pain for millions.

While there are many things to lament about this budget, I will concentrate my remarks on just three aspects of it—three features that I believe will hurt the families of my home State of Utah.

First, this budget opens the door to large increases in spending in both discretionary and in mandatory programs. On the discretionary side—these are the funds that must be appropriated each year—the budget resolution calls for an increase of $205 billion over what the President has requested over the next 5 years. And keep in mind, the President's budget represents an increase over spending in the current year. In fact, President Bush requested a 2-percent increase in discretionary spending for fiscal year 2008, but resolution before us represents an increase of 8 percent. This type of large spending increase hurts Utahns for years to come.

Mr. President, the national debt of the United States of America now exceeds $8,500 billion. Each U.S. citizen's share of this debt exceeds $29,000. Every cent that the U.S. Government borrows and adds to this debt is money stolen from future generations of Americans and from important programs, including Social Security and Medicare on which our senior citizens depend for their retirement security. Large increases in discretionary spending only add to this growing multigenerational problem and I am disappointed to see such a large increase in this budget.

Second, the budget resolution before us is woefully inadequate in the area of dealing with the tax problems facing America. Of most immediate concern, the alternative minimum tax, AMT, hangs over middle-income earners like a giant sword. Unless we, at the very least, continue to temporarily increase the AMT thresholds, we will see about a five-fold increase in the number of taxpayers subjected this unfair and complex tax. However, the budget resolution, as it does with almost every problem, punts this issue into the future instead of making the tough decision to fix this problem.

It is common speculation that the only way Congress can deal with this problem is to waive the pay-as-you-go rules that also feature so prominently in this budget. The speculation that Congress will easily waive pay-as-you-go rules is a joke, and we all know it. But millions of American taxpayers will not be laughing when this budget kicks in and leaves them paying the enormous price associated with the AMT tax, I am afraid.

This budget resolution also falls far short when it comes to dealing with the tax cuts that are due to expire over the next few years, including the so-called ''extenders'' that come to an end this December. The proponents of this resolution glibly state that the budget provides for the tax cuts to be extended. But it does so only if they are paid for with revenue from another source.

I cannot understand why some in this body do not see that the surges in revenue we have enjoyed over the past few years have come as a direct result of the tax cuts we passed in the early part of this decade. These have also kept the economy and job growth humming along. Does it not make sense to my colleagues that if we reverse these policies, this economic growth and job growth and revenue growth will all come to a screeching halt?

This budget actually contains the Cliff Notes version of Democratic economic policy—tax, spend, deny reality, and repeat. When the economy tanks, blame the Republicans and tax some more.

The third and ultimately fatal flaw of the budget resolution before us is also its most serious flaw. It totally ignores the entitlement crisis we have waiting for us just around the corner. Practically all Members of this body know and regularly acknowledge the profound challenges presented to this Nation as a result of the retiring baby boom generation, along with the corresponding growth in Social Security, Medicare, and Medicaid. We regularly reference it here on the Senate Chamber, as well in outside speeches and in letters to our constituents. We all know it is a colossal problem that is not going to go away by itself. Yet, instead of even the slightest recognition of this problem or even the tiniest movement toward a solution, both of which would be a start, this budget completely ignores it.

This is a travesty. I hear regularly from my Utahns that they want us to deal with these problems, and right away. Utahns are a thrifty and careful people who like to face problems head-on and solve them, rather than pawning them off on the next generation. I believe that it is simply inexcusable that Congress would shun this opportunity to deal with entitlement challenges at this time and I know my fellow Utahns agree.

Do my colleagues think that it is going to be easier in the future to begin to resolve our Social Security or health care system problems? We all know the answer to that. We all know that we should have started solving these problems already and that it would have been far less painful to deal with them a few years ago than it would be now. We also know that this pain will be greatly compounded as we wait to deal with these issues in the future.

When President Bush tried to get Congress to work on Social Security 2 years ago, my friends and colleagues on the other side of the aisle, pretty much to a person, decided that they would rather turn it into a partisan political issue than join hands in trying to find a solution. I recognize that not everyone liked the concepts the President put forth. I didn't like all of them myself. But, instead of meeting him even a tenth of the way, the other side saw a huge potential advantage by shunning his overtures. Some say it paid off for them, but at what price the next generation of Americans will have to pay because of this decision.

Yes, we can keep passing budgets like this every year and keep burying our heads in the sand about the need to confront our impending entitlement problems. But we are rapidly approaching the time when we can no longer solve these challenges without a huge amount of pain and suffering and perhaps without losing our preeminent place on the world economic scale.

Mr. President, there are many more things I could say about the shortcomings of this resolution, but I will withhold and simply urge my colleagues to defeat this resolution. We deserve better, and our children and grandchildren certainly deserve better.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Madam President, how much time remains on both sides?

The PRESIDING OFFICER. There is 33 minutes remaining on the side of the Senator from North Dakota, and on the minority side there is 23 minutes remaining.

Mr. CONRAD. Madam President, I wish to take 2 minutes to respond to Senator CORNYN, and then is it the intention on the other side to go to Senator VITTER?

Mr. GREGG. At the completion of the Senator's time, I suggest Senator VITTER be recognized for 5 minutes.

Mr. CONRAD. Why don't we lock that in right now? Senator VITTER has been waiting here patiently. I will consume such time as I might use, and then we will go to Senator VITTER for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. Madam President, Senator CORNYN of Texas raised a concern about an amendment he offered that was adopted both in committee and on the floor with respect to creating a 60-vote hurdle for any increase in rates. He raised a concern about that being dropped in conference. I advised the Senator it was going to have to be dropped in conference because the Parliamentarian advised us that if it came back from conference, the whole privileged nature of a budget resolution would be eliminated. That is the reason it was dropped. It is a simple procedural matter that we could not include it.

Why couldn't we? The Budget Committee does not have the authority to tell the committees of jurisdiction how to raise money or how to spend it. I know that seems odd, but the reality is the Budget Committee is able to tell the Finance Committee how much money it can raise and the Appropriations Committee how much money it can spend. We do not have the authority to tell the Finance Committee how to raise it. We do not have the authority to tell the Appropriations Committee how to spend it. If we exceed our authority, then the whole privileged nature of the budget resolution—

that is, that a budget resolution comes to the floor under special rules; there are 50 hours dedicated to the budget resolution and other special rules that apply—all of those would be out the window if we had allowed the amendment of the Senator from Texas to be included in the conference report.

That is just a simple fact. We could not do that. Nobody would want to eliminate the whole budget process. That is what would have happened because the Budget Committee would have exceeded its authority.

On the question of spending, the Senator from Texas raised that issue. This is spending as a percentage of GDP under this administration. When they came in, spending was 18.4 percent of GDP. They have raised it to 20.3 percent of GDP. That is their record.

Under this budget, we are taking spending down—20.5 percent GDP in 2008, and we are taking it down each and every year until we get to 18.9 percent of GDP in 2012.

Again, the Senator said we got a big tax increase here. There is no tax increase here. There just isn't. The President, in his budget, said he was going to raise $14.826 trillion over the next 5 years. Our budget, according to the Congressional Budget Office, which is nonpartisan and professional, says our budget raises $14.828 trillion. There is virtually no difference. That is what they said their budget would raise.

I see the Senator from New Mexico is in the Chamber. We have an order that the Senator from Louisiana would have the next 5 minutes. Then we are supposed to go back to our side to Senator WYDEN. It is Senator VITTER's time.

The PRESIDING OFFICER. The Senator from Louisiana.

NOMINATION OF ROBERT L. VAN ANTWERP, JR.

Mr. VITTER. Madam President, I rise very briefly to turn away from the budget for just a few minutes and focus on a matter of extreme importance for Louisiana and, indeed, the country, and announce a very important and positive resolution to this matter to give us the right leadership we need in place at the U.S. Army Corps of Engineers in time for this upcoming hurricane season which is due to begin this June 1.

Today LTG Carl Strock is ending his tenure as the Chief of Engineers and Commander of the U.S. Army Corps of Engineers. He served the Army honorably for 36 years, and for the last 2 years of his career, I would say he has gone under intense work and pressure as he led the Corps through the extraordinary events of Hurricanes Katrina and Rita and those recovery efforts.

I join everyone here, Republicans and Democrats, in thanking General Strock for his service and wishing him all the best in the next phase of his life.

This comes, as I mentioned, right as our next hurricane season is due to begin on June 1. As we go into that threat and into that battle, as it were, it is very important we have a new commander in place to lead us. The President nominated LTG Robert Van Antwerp to replace General Strock.

I came to this floor literally just a half an hour ago very concerned that his nomination was being held up by a Democratic hold, and that threatened that we would not have our new commander in place for this new hurricane season.

One does not go into battle without a leader, and that battle, as I said, is just a few weeks away.

It is important to acknowledge that nobody wanted to rush into this nomination. We all wanted to make sure this nominee, General Van Antwerp, is the right person for the job. Indeed, we have. I spent weeks looking very carefully at the nomination, as did my colleague from Louisiana, Senator LANDRIEU. We held hearings on this nomination in the committee of jurisdiction for the Corps, on which I serve, the Senate Committee on Environment and Public Works. Everyone over that period of time got comfortable and very supportive of this nomination. That is why it is very appropriate that we move forward and make sure this nominee, this leader, is in place before the start of the next hurricane season.

As I mentioned, I literally came to the floor a half an hour ago, and this was very much uncertain because there was a Democratic hold on the nomination. I am very relieved and very happy to say that in that short period of time, that has been cleared up. That hold on this particular nomination has been lifted, and the nomination of the new head of the Corps, GEN Robert Van Antwerp, will be cleared through the Senate later today.

This is very positive. I thank Majority Leader REID for agreeing to this literally in the last hour in light of the crucial nature of this position and the impending start of this next hurricane season, June 1.

I, again, thank everyone for working toward this important goal. It is important that we have the right leader at the helm in time for the battle, in time for the start of the new hurricane season, June 1. Clearly, our work in overseeing the Corps, and our work in funding key work of the Corps in the gulf coast region continues. I will certainly redouble my efforts in that regard. But at least we have our general in place, our leader in place for the hurricane season, which is very appropriate and very necessary.

Madam President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. CONRAD. Madam President, I don't see Senator DOMENICI on the floor. How much time does the Senator require?

Here is Senator DOMENICI. We had previously thought that he might go next, if that is acceptable to the Senator from Oregon.

Mr. WYDEN. If I can ask the distinguished Senator from New Mexico, how long does the senior Senator from New Mexico anticipate talking?

Mr. DOMENICI. I don't want to go ahead of Senator WYDEN. I will take 15 to 20 minutes. Senator WYDEN ought to go, if it is his turn, and I will come after him.

Mr. CONRAD. How much time does the Senator require?

Mr. WYDEN. I was going to take 10 minutes. I would enjoy listening to the Senator from New Mexico. Whatever his pleasure.

Mr. DOMENICI. Let's take that.

Mr. CONRAD. I thank the Senator from Oregon. Not only is he an extremely important member of the Budget Committee, he is one of the conferees. He is somebody who has been incredibly important for these deliberations. I thank him for his cooperation and leadership.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. WYDEN. Madam President, I thank the chairman for his comments and would just say I think the Conrad budget goes a long way to restoring fiscal sanity in the Federal Government, but also allows for an opportunity for the Senate, on a bipartisan basis, to get behind two fixes to the critical domestic issues of our time, and those are health care and taxes.

I think if you listen to the technical lingo over the course of the debate—and the Senator from Missouri, now the Presiding Officer of the Senate, comes from the campaign trail, and we are glad to have her because she has just been through the debate in her State—the people in Missouri or in my State of Oregon do not talk about pay-go and fire walls and reserve funds and that kind of technical Washington lingo. They do talk an awful lot about what is going to be done to fix health care and what is going to be done to fix taxes.

One of the reasons I am so supportive of this Conrad budget is, it really does lay the foundation for the Congress to get serious about tax reform and serious about health reform. One of the areas Chairman CONRAD has zeroed in on as it relates to taxes, for example, has been this problem of tax havens and tax scams. There is an opportunity as a result of this budget to come together in a bipartisan way and fix the taxes. If you are serious about closing the tax gap, the hundreds of billions of dollars that we can't collect—and Chairman CONRAD and Chairman BAUCUS have been working hard to try to approve measures to make it easier to collect that money—you have to fix the tax system and simplify it.

I have offered a proposal, the fair flat tax, that would allow for just that kind of effort. Others here in the Senate have ideas as it relates to tax reform. The point is, the Conrad budget makes it possible for the Senate to come together on the tax issue and fix this code.

Chairman CONRAD has talked about the scams. He has talked about the tax

havens and about the hundreds of billions of dollars we are losing. I have a proposal, the Fair Flat Tax Act, that would deal with it. There are other proposals in the Senate that would beef up the collection of these billions of dollars that are lost in the tax gap. The Conrad budget lays the foundation for tax reform.

I would say to my colleagues, we have had more than 14,000 changes in the Tax Code in recent years. It comes out to three changes in the Tax Code for every working day, three for every single working day. The tax system is broken in this country. We are laying the foundation in this proposal for a tax system based on simplicity: a one-page 1040 form and progressivity, where we are fair to those who are vulnerable in our society, but also reform that is sensitive to the question of holding down rates for all so that everyone would have a chance to get ahead.

In addition to taxes, which I think the Conrad budget deals with in a responsible fashion, the legislation allows for a bipartisan effort in this Congress to fix American health care, with a reserve fund that is established and would allow for bipartisan health reform efforts. Senator BENNETT of Utah and I are offering the first bipartisan effort in 13 years to fix American health care. Everybody would be covered, which is essential, because if you don't cover everybody, those who are uninsured shift their bills to those who are insured. We also fix the broken private marketplace.

Right now, we have an awful lot of insurance companies that cherry-pick, that take just healthy people and send sick people over to government programs more fragile than they are. We spend hundreds of billions of dollars through the Federal Tax Code disproportionately rewarding the most affluent in our country and also promoting inefficiency. Senator BENNETT and I are very hopeful that this year, not in 2009, not after the next Presidential election but this year, the Senate will come together on a bipartisan basis. We have the Healthy Americans Act, other Senators have other proposals, but the Conrad budget lays the foundation for fixing health care in this session of Congress.

I also believe as a result of the letter that 10 Senators sent—5 Democrats and 5 Republicans—to the President, indicating that we want to work in a bipartisan way, that if this budget passes, and if the White House will join the effort that Senator BENNETT and I are advocating in the Healthy Americans Act and the 10 Senators have outlined in their letter to the President—which very much mirrors what Senator BENNETT and I are talking about—we can get action on health care in 2007.

Finally—and I appreciate the thoughtfulness of the Senator from New Mexico in allowing me to speak before him—let me mention that Senator CONRAD has included in his budget a provision that is critical to the survival of timber-dependent communities in my State and around the country. His budget includes a reserve fund to provide for extension of the Secure Rural Schools Act, also known as the county payments program. This law provides funding for schools, roads, and other essential services in hundreds of resource-dependent communities around the country. This is a survival issue for many in rural America. Without county payments, rural communities around this country are telling us they are going to vanish from the map. These communities, in my view, should not be turned into sacrifice zones.

I am hopeful the extension of the county payments law will be addressed during the conference on the emergency supplemental spending bill. Earlier this year, 74 Senators voted to include an extension of the county payments program, and we were very pleased to have the support of Senator DOMENICI, who has been involved in this discussion and also the additional program, the Payment in Lieu of Taxes Program, which we have included in this legislation.

We have spoken to the majority leader, Senator REID, who has assured me he will do everything in his power to include county payments when the new version of the supplemental spending bill comes out of conference. If that doesn't happen, we are going to make this an effort on every single vehicle in this Congress. Our bipartisan group is going to try to get this support for county payments legislation done as soon as possible.

We believe it ought to be done along the lines of what 74 Senators have already voted for, and it ought to be done in the supplemental spending bill that is going into conference. But if it doesn't happen, we are going to try to make it happen on every single vehicle that comes before the Senate because of its extraordinary importance to our communities.

I thank Chairman CONRAD for making the inclusion of a county payments reserve fund in the budget so as to provide a backstop so that there would be another option to extend county payments quickly, if for some reason it doesn't happen in the budget.

In closing, I would urge colleagues to support this budget, especially because of the foundation it lays to tackle the two biggest domestic issues of our time, health care and taxes. There are certainly major issues that come before us, with Iraq obviously being the issue of paramount importance as it relates to the international front, but the big issues at home are fixing health care and taxes. The Conrad budget allows Democrats and Republicans to come together on both of those.

This is a budget that responsibly allows the Senate to address the critical issues, do so in a responsible way, and I urge the passage of this budget.

Madam President, I yield the floor.

Mr. DOMENICI. Madam President, I gather that I am next under the time agreement, and that I have up to 15 minutes; is that correct?

Mr. CONRAD. The Senator is correct, Madam President, but might I ask the Senator to yield for just a moment?

Mr. DOMENICI. Indeed.

Mr. CONRAD. Madam President, I want to just say this—and I fully anticipate the Senator may be critical of this budget, so I certainly respect his views. But I just want to say, after going through this budget process, that the Senator from New Mexico has been involved in the writing of 20 budgets, more than 20 budgets here, and my respect for him has grown geometrically after going through this one. I really do want to commend the Senator for what is truly an extraordinary thing, to be involved in more than 20 budgets for the United States.

Madam President, I yield the floor.

Mr. DOMENICI. Madam President, I thank the chairman very much, and let me say to the distinguished chairman that some of those budgets had some extraordinarily good things in them, some were just—well, you just had to do what you had to do.

I can remember how long and hard we worked and worried about giving drugs to our senior citizens as part of Medicare. Anybody that is interested in whether a budget act has any force should go back and look at how that happened. We did it with a reconciliation instruction. We started with $400 million—I think we ended up with about $500 million or $600 million before we finished it—and that is where we reconciled and said you can only use it for this. It was an experiment as to whether it would work because there is nothing in the law that says you can do that. When you do the right thing—things that people are otherwise frightened to do—they will let a budget act do things they would not otherwise let happen. It wouldn't be part of the expectation when you read the fine lines in the Budget Act.

The Senator has done some of that here. He has extended it, and I commend him for it. I don't like it, but that is what we are here for, to agree and disagree. I don't like the budget as the Senator has prepared it, but I give him great credit for getting it done. It is a most difficult job. Senator CONRAD also had a House that had just changed, and that was very hard for him to figure out with whom he was working and what they wanted and how they wanted to negotiate. So I really think it was probably as onerous and difficult as any, but the Senator is here, and you are a hero when you can finish a budget.

People don't stay here and applaud afterward, but it is something very extraordinary to get it done and be able to say we are through tonight. So I commend him for that.

Having said that, Madam President, I want to start with a little editorial piece that was found in the Wall Street Journal a couple of days ago. It is called ''April Revenue Shower,'' and in it, it says:

Here's the ''surge'' you aren't reading about: The continuing flood of tax revenue into the Federal Treasury. Tax receipts for April were $70 billion above the same month in 2006, and April 24 marked the single biggest day of tax collections in U.S. history, at $48,700 billion, according to the latest Treasury report.

It goes on to compare other months and to further document the validity of the April shower of revenue coming to the Government.

If I were on the other side and writing a budget, I would be very frightened to read about April showers and see how much April showers, if continued into the next 2 or 3 years, would do to correct and rectify the deficit of the United States and take care of the biggest problem we have, which is deficit spending each year. In just a few years, 2 years, if these April shower rates of revenue continue, we will be approaching a balanced budget in the United States. I, for one, would like to have seen us stay closer to the budget that brought us those April showers than to change dramatically away from those budget concepts that got us those April showers for so many months.

We all know it wasn't just 1 month, it was many months. If you look back, we have had many months of strong economic performance in this economy, and that strong performance brought with it showers of revenues to the Treasury of the United States beyond anything we expected. We never put down as an estimate during the last two or three budgets anything close to the revenues that came spewing into the Treasury because things were going right.

That leads me to the conclusion that we ought to be careful when things are going right. We ought to be careful about changing big concepts within that budget for fear that it may stop going right and April showers may turn into something far different. Instead of showers, it may turn into hailstorms. It may turn into blizzards, instead of nice, friendly showers that are yielding tax dollars and revenues to the American Treasury.

From my standpoint, this budget goes the wrong way. This budget I have seen, the estimates I have been shown, say this budget before us would increase taxes by $736 billion. These tax increases include all marginal rates except the 10-percent bracket, capital gains rates, dividend rates, and the alternative minimum tax and education tax relief.

As we understand from those who do the estimating, in my State—so it must be in all States—93,000 New Mexico investors, including senior citizens, would pay more because of an increase in capital gains rates and dividend rates in this budget. Right off, I believe we ought to be careful with that. Maybe it is the capital gains and the dividends, which were major changes in policies, that might have had more to do with sustaining the budget and bringing those April showers that didn't just occur in April but occurred in May, June, July, and August, those large revenue chunks that were coming to the Federal Government which were not expected.

I submit it is extremely easy to balance a budget and show a surplus when you utilize one of the largest tax increases in our country's history. Obviously, when you have a budget such as we had, where you had tax cuts and they were multiyear, and then you stop them, you can say you didn't increase any taxes. But the impact on the taxpayer will be felt as a tax increase because if they were expecting what they had last year, and it goes up because you did not continue with the cut, then they obviously look around to see who raised their taxes. Obviously, if you stop the tax cuts, then you get increases and the public should know where they come from. It is obvious they will come from this budget, carrying it out.

Once again, let me call to the attention of the Senate that according to this Wall Street Journal editorial, in April alone the U.S. Government collected $70 billion in tax receipts more than the same month last year for the current fiscal year taxes. Tax receipts are 11.3 percent, or $153 billion from last year. I am not sure if most people are aware of the fact that on April 24, 2007, the United States collected a record-setting $48 billion in taxes. I am sure the people do not know. There is no reason they should. But we ought to tell them on a day like this that they did. Tax receipts went up enormously, as I have indicated, and as this editorial indicates. That means if changes in policies in this budget are such that they change the winds that brought these showers the Wall Street Journal is talking about, then you will stop getting the showers of dollars that are there and you will get something that will be bad for the American people: The economy will go down instead of up and the kinds of things that yield good April showers filled with revenues will stop being the order of the day.

I think we should worry and look long and hard at these numbers before we consider making changes to the budget policy. Because of these record tax revenues, the budget deficit could be slashed in more than half from this year to the same time next year. The deficit could be reduced to $150 billion this year, which equates to approximately 1 percent of gross domestic product.

I believe our current budget policy is paying off. The next 18 to 24 months the deficit could be caused to disappear if we do not vary off the course. This is one point in time where the status quo may be the better alternative.

However, under the budget we are considering if budget surpluses do not materialize, the so-called ''trigger'' will stop the extension of any tax relief and we will see firsthand the largest tax hike in American history.

We are not doing enough to ensure economic stability to the bulk of the Nation.

This budget will result in the expiration of the tax breaks that we gave to the middle class, causing an enormous tax burden to be placed on these families.

One can clearly see that on a national level, the middle class stands to lose the most under this proposal.

In my home state of New Mexico, the impact of repealing the current tax relief would be felt widely by the middle class.

Added to these concerns is that fact that this budget does not thoroughly address the alternative minimum tax.

Providing a patch for the AMT only leaves us in the position of correcting this problem in the future.

Absent legislative action, the middle class will bear the brunt of the AMT, which will affect significantly more taxpayers.

The reverberations of this inaction will be seen all over the country and will be especially evident in a state like New Mexico.

Coupled with the nonexistent tax relief, this budget fails to address the 800 pound gorilla in the room, otherwise known as entitlement spending.

After 2010, spending related to the aging of the baby-boom generation will begin to raise the growth rate of total outlays.

The annual growth rate of Social Security spending is expected to increase from about 4.5 percent in 2008 to 6.5 percent by 2017.

In addition, because the cost of health care is likely to continue rising rapidly, spending for Medicare and Medicaid is projected to grow even faster—in the range of 7 or 8 percent annually. Total outlays for Medicare and Medicaid are projected to more than double by 2017, increasing by 124 percent, while nominal GDP is projected to grow only 63 percent.

The budget currently under consideration does not offer solutions, much less even address, entitlement spending or reform.

I do not support this budget in its current form because it increases taxes and it does not offer any meaningful solution for entitlement spending.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GREGG. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CONRAD. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. Madam President, I ask unanimous consent that the debate time with respect to the conference report to accompany S. Con. Res. 21 be extended until 3:30, and that time be equally divided and controlled between the Chair and the ranking member, and all other provisions of the previous order remain in effect.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Dakota is recognized.

Mr. CONRAD. Madam President, how much time now remains?

The PRESIDING OFFICER. With the additional time requested under the unanimous consent request, the Senator has 32 minutes.

Mr. CONRAD. And on the other side?

The PRESIDING OFFICER. That is 22½ minutes.

Mr. CONRAD. Madam President, I say to the manager on the other side, I might take a few minutes. Senator DORGAN is our next speaker. Would that be acceptable?

Mr. GREGG. Madam President, I recommend the Senator take 32 minutes.

Mr. CONRAD. That is an interesting endorsement of the persuasiveness of my appeal.

Let me say in response, I want to speak of my respect for the Senator from New Mexico. The thought of being the person who produced over 20 budgets through the Budget Committee is a stunning concept to me, after going through this budget.

I want to go back to the question he raised about the tax increase. I must say there has been a certain consistency on the other side with respect to tax increases. They have said over and over there is a $700 billion tax increase here. There is only that big a tax increase if the President's budget also had a big tax increase. Do the math. There is only a 2-percent difference between what our budget raises and the President's budget raises on a Congressional Budget Office score, and 2 percent of $15 trillion is $300 billion. They are talking about $736 billion, so they are saying the President had a $436 billion tax increase. I don't think the President would agree with that math. So if that math is wrong, their assertions about our budget are wrong.

It is very simple, at least in the math I learned in Bismarck, ND. I go back to what the President said about his own budget. A previous President said facts are stubborn things. Indeed they are. The President's budget, estimated by his own Office of Management and Budget, which he controls, said they would produce $14.826 trillion in revenue over the next 5 years. That is the President's estimate of what his budget would do. Our budget, according to the Congressional Budget Office, will raise $14.828 trillion of revenue over 5 years. That is virtually identical. The President said it was reasonable to raise this amount of revenue. Guess what. That is what we are doing.

Some will say, wait a minute, you are using OMB numbers for the President and CBO numbers for Congress. Yes, because the President controls OMB. That is his own estimate of what his budget would do.

Let's use CBO numbers for both. Then you get that our budget will raise 2 percent more money than the President's; 2 percent on $15 trillion, which is the amount over 5 years, which is $300 billion.

I believe you can easily get 2 percent more revenue by going after the tax gap, the difference between what is owed and what is paid; going after these tax havens, which the Permanent Committee on Investigations says is costing the Treasury $100 billion a year, and these egregious tax shelters, which I have shown repeatedly. We have the remarkable circumstance where wealthy investors in this country are buying European sewer systems, European metro systems, European city halls, depreciating them on the books in the United States to lower their tax obligation here, and then leasing them back to the cities in Europe that built them in the first place. Come on. The vast majority of us do not engage in that kind of charade.

This is a budget for 5 years, but we all know we are going to write another budget next year. Let's look at the revenue for next year in our budget and the President's budget. These two lines represent the President's budget request for next year, and ours. Do you see any difference? Do you see any daylight? No, because they are identical. There is no tax increase in this budget. I don't know what our colleagues are going to say next year when there has been no tax increase. I don't know what they are going to say.

With respect to spending, I want to go back to that question because the spending under our budget is going to go down as a share of GDP. Here it is. We are going to go from a spending of 20.5 percent in 2008, and each and every year we are going to bring it down until in the fifth year we have spending at 18.9 percent of GDP.

Let's look at the record on the other side. Let's look at what our friends did when they controlled the budget. They took spending from 18.4 percent of GDP and ran it up to 20.3 percent of GDP. That is the difference in the spending records.

We go back even further to the previous Democratic administration. Let's look at what they did. When President Clinton was in office, he inherited a spending level of 22.1 percent of GDP. Look at what happened under his administration. Each and every year, spending as a share of GDP—which is what the economists say should be the measure because that corrects for inflation—under the Clinton administration it took spending from 22.1 percent of GDP, which is what they inherited from the previous Bush administration, and they took it down to 18.4 percent of GDP.

Again, I know this is painful for my colleagues, but it is the record. This is no projection. This is what actually happened. They took that 18.4 percent of GDP they inherited in spending from the Clinton administration, and they ran it up to 20.3 percent of GDP.

So when we are talking about who is spending around here, the record shows it has been the other side that increased the spending. At the same time they increased the spending, they basically froze the revenue of the United States. Maybe we could put that chart up for a minute because it is good to look at history and look at facts and not use these tired, old nostrums.

Here is what has happened to the revenue while the other side has been in charge. In 2000, the revenue of the United States was just over $2 trillion. The Bush administration came in and real revenue went down. In 2001, they had tax cuts; in 2002, revenue went down further; in 2003, real revenue went down further; 2004, it stayed down; in 2005, it stayed down. Only in 2006 did we get back to the revenue base we had in 2000, in real terms.

We had this combination, under our colleagues, of a stagnant revenue base for 6 years combined with a 40-percent increase in spending during their period of control.

In dollar terms, 2002 spending was $2 trillion. They have run it up to $2.8 trillion on their watch, or a 40-percent increase. With a stagnant revenue base, what is the result? The result is that debt has exploded. If we can put up the chart that shows what happened to the debt of the United States on their watch, the debt exploded.

The word you will never hear leave the lips of our colleagues on the other side of the aisle is ''debt.'' They will never mention it. Here is what has happened to the debt while they have been in charge. It has gone from $5.8 trillion at the end of the President's first year—we will not hold him responsible for the first year—it has gone to $9 trillion on his watch, and if his budget is followed over the next 5 years, it goes to $12 trillion.

Even worse, foreign holdings of U.S. debt have more than doubled under this President, putting us deep in hock to the Japanese, the Chinese, the British, the oil-exporting countries. Sometimes I get confused because we are borrowing money from so many different entities right around the world under this President, putting us deeper and deeper in debt.

Mr. President, I see that my colleague, Senator DORGAN, has come. The previous agreement we had was that he would go. But Senator GRASSLEY is also here. Perhaps you could inform us of the time remaining. Perhaps we could work it out so Senator GRASSLEY can go next.

The PRESIDING OFFICER (Mr. OBAMA.) The Senator from New Hampshire has 22½ minutes remaining. The Senator from North Dakota has 21½ minutes remaining.

Mr. CONRAD. Mr. President, I think the fair thing would be, if I can say to the manager on the other side, Senator GRASSLEY has been here, and we really intended him to go next.

Mr. GREGG. How much time will Senator DORGAN take?

Mr. DORGAN. Twelve or fourteen minutes.

Mr. CONRAD. Mr. President, if we could——

Mr. GREGG. Why don't we go to Senator GRASSLEY for 15 minutes, then Senator DORGAN for 15 minutes? But before we do that, I wish to respond quickly—no more than 2 minutes—to some of the comments made by the Senator from North Dakota.

The first point is this: It truly is a budget from the land of Oz when you make representations that you are not increasing spending when, by your own terms, you are increasing discretionary spending $205 billion over the President's number.

It is equally a budget from the land of Oz when you say you are not raising taxes when, in fact, you are raising taxes not $726 billion but $916 billion because you have put in place a phony trigger mechanism to allege that $180 billion of tax increases will not go into effect when it is absolutely clear that they will.

It is equally disingenuous and from the land of Oz to claim that you are not increasing the debt of the Federal Government when the debt of the Federal Government is going to go up $2.5 trillion and almost all the surplus that you allege to have reached is going to be borrowed from the Social Security fund, debt borrowed from the Social Security fund, and all of the deficit over this period is going to be debt borrowed from the Social Security fund.

So it is an attack on the Social Security fund, it is an attack on the taxpayers of America with the largest increase in history, and it is a dramatic expansion of spending of this Government and growth in the great size of this Government.

I would note that the Senator's charts conveniently ignore the fact that we had an Internet bubble which melted and caused a significant recession which was increased dramatically by the attacks on 9/11, and that is why your GDP numbers are skewed during that period, because the gross national product did not grow in the face of a recession and what happened as a result of 9/11; and that your outyear numbers are equally skewed because you basically presume we are not at war, which hopefully we won't be, and hopefully we can all take credit for that, but the fact is you don't even account for the cost of the war should the war extend beyond 2009, and so that creates different projections on costs.

Mr. President, I yield 15 minutes to the Senator from Iowa.

Mr. CONRAD. Mr. President, if I might just for 30 seconds say that when the Senator calls this the Wizard of Oz budget, I would accept that characterization of courage, brains, and heart. That is this budget.

Mr. GREGG. Mr. President, that was not the Wizard of Oz, that was the lion—that was the scarecrow, and clearly, if Dorothy looked at this budget, she would find the Wizard of Oz still behind the curtain.

Mr. CONRAD. Courage, brains, and heart.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, over the last 26 years, the budget resolution provided the necessary resources to allow the committee that I used to chair and now am ranking member on, the Finance Committee, jurisdiction over taxes. It provided us the necessary resources, usually in a bipartisan manner, to realistically address the demands of tax, trade, health and welfare policies—all things within the jurisdiction of our committee. So reading this budget compromise, I am very disappointed to say that this year is very much different than over the last few years.

Now, I know the people spoke in November, and for the first time in 12 years the Democrats are in the majority and in control of the congressional budget process. As ranking Republican on the Finance Committee, I was not consulted at any point by our distinguished chairman of the Budget Committee on this year's budget resolution. Unfortunately, after reviewing the resolution conference agreement, the agreement that is before us now, it is clear it does not realistically address the needs of the very important work of the Finance Committee.

Despite claims to the contrary, this budget does not provide for even 1 year, not even 1 year of alternative minimum tax relief, the tax that is going to hit 23 million Americans this very year, right now, who were not paying that AMT last year. Now, that is even for 1 year, let alone 2 years or even a 1-year extension of the provisions that will expire this year. So this budget puts the burden on the Finance Committee, the tax-writing committee, to come up with the offsets to pay for the alternative minimum tax relief and for other extenders that it is necessary for us to pass.

On these immediate needs, on the AMT and other extenders, the Democratic Budget Committee's press release says:

> AMT relief. The conference agreement prevents the spread of the alternative minimum tax so that it does not impose a higher tax on middle income families. It ensures that the number of taxpayers subject to the AMT will not be allowed to increase in 2007, protecting some 20 million middle class taxpayers from being subject to that tax.

Now, if that were really happening, I would applaud it. I have looked over the resolution, I have looked over the statement of managers, and I cannot find the basis for what is in the press release. If you look at the numbers, unlike the past 6 years of Republican budgets, you will not find tax relief room to accommodate the alternative minimum tax. You will not find any tax relief room for anything, including very important extenders which are popular around here which everyone wants to extend from year to year.

The chairman, I am sure, will respond that the Finance Committee tax tab will find revenue-raising offsets. More on that in a few minutes. Without question, however, this resolution does not provide the tax-writing committees of both Houses with the resources to prevent the spread of the alternative minimum tax for this year or next year to those more than 23 million middle-income taxpayers who were never supposed to be paying the alternative minimum tax. It is simply not in the black-and-white print of this resolution, regardless of what the press releases say.

Let's turn to the offset point. As a farmer, I would like to think we country folks can teach people in the city a lesson or two. The first chart involves the method a lot of us farmers use to get water. It is a well. Here is the top of the well. I am pointing to the top of the well. You can see it is a long well, and there is some water way down at the bottom of the well, but you will see the well is almost dry.

Now, as I indicated a few months ago, the budget resolution does not contain tax relief room sufficient to cover the revenue loss of the alternative minimum tax and other time-sensitive tax extenders. What we are told by those who drew up this budget is that the tax-writing committees will find the money.

The offset well shows about $44 billion in known, identified, and scored revenue-raisers which the Senate Democratic caucus has supported in the past. I used this chart about 2 months ago. Now I have updated it to account for $2 billion in new revenue-raisers developed by the Finance Committee tax tab. That figure of $1 billion a month is in line with historical averaging. How reliable is that average, and can we count on it?

As a farmer, I know something about the predictability of well water. You hope you will get rain and it will give you a decent level of well water. As a former chairman and now ranking member of the committee, I know something about revenue-raisers. I have been here, done that, been through all of that. When I was chairman, I aggressively led efforts to identify and enact sensible revenue-raisers aimed at closing the tax gap and shutting down tax shelters. As ranking member, I continue to look for ways to shut off unintended tax benefits. So I consider myself to be credible on what is realistic when it comes to revenue-raisers.

From 2001 through 2006, Congress extended over 100 offsets with combined revenue scores of $1.7 billion over 1 year, $51 billion over 5 years, and $157 billion over 10 years. That figure is reflected in this chart. It is reflected in that $51 billion figure you have up there at the top. So if you look at the recent history, we can realistically figure the tax tab will find about $1 billion a month.

Right now, all we can find that is specified, drafted and scored by the scorers of the Joint Tax Committee is a big amount of money, but compared to what is needed, a mere $44 billion. The revenue-raising well shows about

$44 billion in available, defined, and scored offsets at the waterline there.

The defenders of this resolution now will say a virtual cornucopia of revenue-raisers is there in this well from the tax gap and shutting down offshore tax scams. I take a backseat to no one on reducing the tax gap and shutting down offshore tax shelters. I have the scars to show for those efforts over the past few years. But the defined and scored tax gap proposals are already included. That is that figure of $6 billion up there on the chart. Likewise, a proposal targeting tax-haven countries and other offshore activities is included at $2 billion.

The well has, then, about $44 billion of offset water. This budget anticipates a Congress which will be thirsty for this limited group of offsets. On the thirst or demand side, you will see the bucket will be very busy.

On the demand side, I have talked about the alternative minimum tax fix. There is $115 billion for that fix for this year and next year. That is what it is going to take to get that job done, the $115 billion there. That is the biggest sum of money which is going to be demanded.

There is $20 billion for other extenders that run out at the end of the year. Then there is $15 billion for Children's Health Insurance Program expansion, and there is another $30 billion for the rest of the so-called reserve funds. Here is a chart that lists the other 20-some-odd reserve funds. You can see there is a massive demand for revenue out there. Each of these reserve funds are an arena for popular new spending and maybe new taxes. I will not take the time to read them all, but veterans, affordable housing, Indian claims settlement, childcare—all have a basis in this budget. Every one of those would be popular expenditures. Since we know from almost a decade of fiscal history that the Democratic leadership can't propose spending cuts, we know the new reserve fund spending will be paid for with tax increases.

These figures reflect only the demands of the first year of a 5-year budget. If you add them up, they add up to $180 billion in demand on the spending and tax side. As you can see, there is about $44 billion in revenue offsets. If you assume the tax staff will follow the historical average of $1 billion per month, then figure about $15 billion more at best. So if we assume, in a manner most favorable to the proponents of the resolution, that there will be $59 billion, then this budget is short by $121 billion for the first year of the 5-year budget. The demands on the tax-and-spending side then exceed projected offsets by $121 billion for the first year of the resolution.

It is time for all of us to get real about what the proposed spending is in this budget, the needs for tax policy that is promised in this budget, and the small amount of offsets that are available.

So what is going to happen? How do we bridge that $121 billion gap? Either the tax relief and new spending is not going to happen or we will add that to the deficit. That is a frightening proposition, adding it to the deficit.

Let's take a look at the rest of the agenda to those numbers. Over the 5-year budget, going out to the year 2012, keeping existing policies in place will have a revenue effect of $916 billion. This includes AMT relief, if they are serious about not having those 23 million middle-income people paying taxes that they were never supposed to pay in the first place, and extending other broadly supported expiring positions. In the aggregate, this budget appears to provide $180 billion in new resources for extending these policies over the 5-year window. Look further and you will find a trigger. It is the very trigger I talked about last week. Senator GREGG described in great detail how the trigger will work. Suffice it to say the trigger conditions the $180 billion in tax relief targeted for 2011 on no future spending.

Is that the real world, no future spending? Does anyone believe this Democratic majority will not spend future tax increases if given a chance? If your answer is yes, then you are buying a pig in a poke. A pig in a poke is what you are going to get, if you believe that. If you think you are going to get a pig, you are going to get cheated. And I have grown a few pigs in my day, so I know the difference between a pig and a pig in a poke. This trigger mechanism is a pig in a poke. Don't buy it. You will regret it.

So we have a situation where we have $736 billion that we have to figure out what to do about. It is not done about in this budget. You have to deal with tax realities, if you are going to give this sort of tax relief. The answer is that we are going to have to find this money, and it is not here. So it is not a real budget.

The PRESIDING OFFICER (Ms. KLOBUCHAR). The Senator from North Dakota.

Mr. CONRAD. Madam President, first of all, I wish to say the Senator from Iowa, the ranking member of the Finance Committee, has been a true gentleman during consideration of the budget resolution. Obviously, we have strong differences with respect to some of the policies here. I wish to say that this man has been a gentleman. I also wish to say, on our side, we will not forget his courtesy during consideration of the budget.

I do want to say with respect to one of the charts he had up here, he had 2 years of AMT relief. It is true in the Senate budget we had 2 years of AMT relief. In the conference report, we have 1 year. That would change the numbers in his chart from $115 billion to $52 billion. Second, in what passed in the Senate, we had $15 billion of SCHIP funding within the budget and up to another $35 billion in a reserve fund. Now all of the funding in what has come out of the conference committee is in the reserve fund. So the Senator's chart, which I know was prepared some months ago, is not consistent with what the conference report is.

I wanted to make those two points. I again would say to others who are listening, we don't believe there is any requirement for a tax increase in this budget. We only have a 2-percent difference in revenue between the President's budget and our budget and the CBO score. If you look at what the President said his budget would produce in revenue, it is virtually identical to what our budget produces.

With that, I yield 11 minutes to the Senator from North Dakota, my colleague, Mr. DORGAN.

Mr. DORGAN. I thank my colleague for his leadership. I don't know where to start with the issues of the pig in the poke and the hog rules and all these issues. But I will talk a little about issues that are probably close to something I called the hog rule.

First, let me say this: Mark Twain once said, when asked if he would engage in a debate, he said: Sure, as long as I can take the negative side. They said: We haven't told you what the subject is. He said: It doesn't matter. The negative side will take no preparation. It is easy to oppose. That takes no preparation.

We have brought a budget to the floor of the Senate and have kind of broken tradition. We haven't had a budget on the floor that got passed for a year. Under the leadership of Senator CONRAD, we are going to have a budget today. That is a pretty big step forward.

Let me say that with all the budget talk, we went to war a few years ago and we sent soldiers halfway around the world to go to war. The country didn't go to war. This Congress didn't go to war. Every single dollar we have used to fight that war has been borrowed. We say to the soldiers: Go, fight, put on America's uniform, go represent your country. But the fact is, the President says: I want emergency supplemental appropriations for it all, and we will add it all to the debt. It is an unbelievable fiscal policy. Send the soldiers to war; Americans, go shopping. That is what we were told to do by the President. By the way, let's not ask anybody to sacrifice.

We see significant fiscal policy problems. This budget begins to start to try to deal with them. They have been growing now for about 6 or 7 years. This administration inherited a surplus and very quickly turned it into a large budget deficit.

This is a budget. Someone once asked the question, if you were asked to write an obituary about someone and knew nothing about the person, had never met the person but only had their checkbook registry as a frame of reference, what kind of obituary would you write? You would probably be able to take a look at what they spent their money on and tell a little something about their value system, what did they think was important, what did

they treasure, what did they value. You can do the same thing with this country's budget.

It is true that 100 years from now we will all be dead. But history will record what we have done. They can look at the budget we passed, and they can see what we believed were the priorities for this Nation.

The President sends us a proposal and says: Here are my priorities. Let's propose spending in a way that loses ground on the issue of funding the National Institutes of Health and making the investments in needed cancer research and research into other dread diseases. Let's cut back on Head Start relative to the money that is needed to continue Head Start for young children. Let's decide that energy efficiency and renewable energy are not as important. These are priorities from the President. I could go on at some great length.

I disagree with that. I think many of these things represent investments in the country's future. My colleague and those who work with him on the Budget Committee have put together a different set of priorities. It is a better set of priorities that says: Yes, there are some areas that are just spending money. There are other areas that represent an investment in the future. That is why I think this budget is a good document. I am pleased today to support it.

Let me go to one other piece because I feel so strongly about it. I have offered amendment after amendment on this subject. My colleague has included proposed revenues in this budget from those who are not now paying their fair share. Some say that is a mirage, that is a shell game. You know what is happening. We have a pernicious tax break that says: Shut down your manufacturing plants in America, fire your workers, move your jobs overseas, and we will give you a big tax cut. I can't believe anything quite as foolish as that, but we have it. We have voted on it four times here. I am going to offer an amendment this year again that says: Let's not subsidize moving jobs overseas with a tax cut for those who do it.

Even more than that, I have used this on many occasions for 2 years now. This is the Ugland House. It sits on a quiet little street in the Cayman Islands called Church Street. It is a 5-story building, home to 12,748 corporations. Thanks to some enterprising reporting by David Evans from Bloomberg——

Mr. GREGG. Will the Senator yield for a question?

Mr. DORGAN. I regret I don't have the time.

Mr. GREGG. I will use my time. I will take the question off my time, not the answer.

Mr. DORGAN. Let me finish my comments. If I have time, I will be happy to engage. This represents a legal fiction, 12,748 corporations say that this is their home. No, it is not. This is a playhouse for tax avoidance. That is what this is about. They get to run their income through here so they don't to have pay taxes to the U.S. Government. They want all the opportunities that come with being an American except the responsibility to pay taxes.

Thousands of companies take up residence in tax haven countries for the purpose of avoiding taxes. Many other companies use entirely different, yet legal, tax avoidance schemes. One example is the sale of a German sewage system in Bochum, Germany, that nets Wachovia Bank $175 million in tax savings. I don't even understand how the transaction works. Does someone walk into an investment banking firm and say: Do you have a sewer section here, or do you have a sewer specialist I could talk to? Because I would like to avoid taxes by investing in a German sewer system. Maybe the receptionist says: We have a section over here in our investment banking firm that actually specializes in foreign sewers. Wachovia apparently found one. They saved $175 million. Does that mean they used the sewage system? No. Does it mean they actually have a need for it? Does it actually change hands? No, it is still underground in Germany. What it does is, it allows this company to avoid paying U.S. taxes.

How about an American company leasing a city hall in Germany? This is a town hall in Germany, leased by an American company. For what purpose? To avoid paying U.S. taxes. Wouldn't it be great if folks down the block or up the street or out on the farm who have to pay taxes in this country could say: You know what, I have a new idea. You and I are going to buy a sewage system in England. People would say: Are you nuts? That is what is happening in corporate boardrooms.

Another example is leasing transaction involving streetcars in Germany. An American corporation wants to operate German streetcars. Why? Because they enjoy riding in streetcars? No. They will never get in them. It is because they particularly want to avoid paying U.S. taxes.

In Chicago, they put together something called a 911 emergency call system. They put that together. Guess what: When Chicago shoppers hunted for bargains a few days after Christmas last year, two big financial firms landed their own sweet deal. FleetBoston Financial and Sumitomo Mitsui Banking bought Chicago's 911 emergency call system. No, Chicago was not in the throes of privatization, the story says from the Wall Street Journal. This was companies again deciding: We would like to buy assets we have no need for that belong to the public, and what we would like to do is use them to avoid paying U.S. taxes.

That is unbelievable to me. I would think every single Member of the Senate would look at this and say: That makes me sick, and it has to stop—not tomorrow; no, we are not going to begin to wean off this system—but, right now, we are going to say that nobody is going to be able to buy a foreign sewer system in order to decide they are not going to pay U.S. taxes.

Go to any restaurant in this country, any small town café in this country, and sit around and order a cup of coffee and ask the folks you are sitting with: Do you think this should be allowed? They would look at you and say: Are you out of your mind?

Well, the reason I talk about this is because this is in this budget to be shut down. Senator CONRAD has said—and I have offered amendments on the floor of the Senate—we are going to shut this kind of thing down. The other side kind of laughs and scoffs at this and says: Well, you can't shut that down.

I know, in fact, no one will stand up, if I ask: Will someone today come over to the floor of the Senate and stand up and say: Do you know what? Count me in. I am a big fan of having U.S. companies buy foreign sewer systems. Sign my name to it. Give me credit for it. Nobody will do that. It is kind of in the dark of the night that all this tax policy gets made.

That is what my colleague says in this budget: Let's begin to shut that down. Let's begin to collect the revenues, reduce the Federal deficits.

These deficits—at some point somebody is going to have to pay them. This administration inherited a very large budget surplus. I stood on the floor of the Senate and said maybe we ought to be a little conservative here, and the President and his minions said: No, no, no. Let's decide that we want to give it all back, despite the fact we did not have it yet. It was 10 years of projected surplus.

Guess what. In a matter of months, we found out we were in a recession. Then we had 9/11. Then we had a war in Afghanistan. Then we had a war in Iraq. Huge surpluses were turned into huge deficits and much more spending for a war, for which the President said: Oh, by the way, we are not going to pay for that. We are going to ask that all of it be funded with zero requests in the budget because we are going to send you emergency requests, and you can add it to the deficit. So we send soldiers to war, and when they come back, they can help pay the cost of the war because we are not going to do it.

That is what is wrong with this fiscal policy. We were on a road to nowhere and a road to real trouble, and finally we have a budget that begins to force change. Is it going to happen overnight? No. It is going to take some time. But this budget is a budget that moves us finally in the right direction.

I commend Senator CONRAD and all those who worked on it. I am proud to be part of it and will be proud to vote for it.

Madam President, how much time remains?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DORGAN. Madam President, I yield the floor.

Mr. GRASSLEY. Madam President, I was struck by the exchange between the Senators from North Dakota regarding abusive leasing transactions called SILOs and so-called corporate inversion transactions. They seemed to express dismay that this body can't shut down these deals. Listening to them, it seemed like they had no idea that:

No. 1, the American Jobs Creation Act of 2004 stopped the SILO deals on a prospective basis—no new deals can be done after March 12, 2004. As enacted, JCT scored this provision as raising $7 billion over 5 years and $27 billion over 10 years.

No. 2, the Senate-passed version of the JOBS bill, which received the vote of 92 Senators, would have shut off future tax benefits from foreign SILO deals, like the deals for European sewer systems and townhalls, that were entered into before March 12, 2004, but the Republican House conferees blocked it.

No. 3, the American Jobs Creation Act also stopped corporate inversion transactions for deals done after March 4, 2003, raising $830 million over 10 years, according to JCT.

No. 4, the Senate-passed JOBS bill would have applied the anti-inversion legislation back to March 20, 2002, when I put companies on notice that legislation would shut these deals down.

No. 5, just this year, the Senate passed a minimum wage/small business bill, which had the vote of 94 Senators. One provision in that bill would shut off future tax benefits for foreign SILOs. That provision would raise about $4 billion over 5 and 10 years. Another provision would have denied prospective tax benefits for inversions entered into after March 20, 2002. That provision would have raised over $1 billion.

But the Democratic chairman of the Ways and Means Committee refuses to agree with the Senate on these points. In fact, he held a hearing earlier this year to sympathize with lobbyists wanting to preserve these illicit tax benefits.

So, in this body, there is near unanimous agreement that Congress should act to stop the future tax benefits from foreign SILOs no matter when they were entered into. So I am not sure what the Senators from North Dakota are complaining about. They should be complaining to their brethren across the Capitol, not this body.

The North Dakota Senators are preaching to the choir when it comes to shutting down tax shelters. Look at my track record. Nobody has been more of a tax shelter hawk than me when it comes to Senate-passed and enacted legislation. I want to close the tax gap. I want to shut down tax shelters. My track record proves that. But we need to be realistic in looking at the amount of JCT scored revenue we can expect to get with sensible, effective legislation. But the assumptions in this budget are just not realistic.

Mr. President, the distinguished chairman made a couple of comments on the charts I used a short time ago.

The senior Senator from North Dakota stated first the chart incorrectly reflected the SCHIP number. The number used in the chart reflects an estimate of the first year, fiscal year 2008, of the Democratic SCHIP proposal. In addition, the senior Senator from North Dakota said the chart reflected 2 years of the AMT patch. He was correct. These are, however, 2 years of the patch, tax years 2007 and 2008, to consider with respect to fiscal year 2008.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. Madam President, I would like to yield 5 minutes to the Senator from New Jersey, Mr. MENENDEZ. I thank him for his very important leadership in the Budget Committee. He has been an extremely valuable member on the Budget Committee and has helped us write this budget.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. MENENDEZ. Madam President, let me say, as a member of the Senate Budget Committee, I am extremely proud of the budget resolution conference report before us. I commend the distinguished chairman of the committee for his leadership and for succeeding in the daunting goal of putting together a final budget resolution. It would not have happened without him. I appreciate his depth of experience in changing the direction of our values in this budget.

This budget accomplishes what we set out to achieve at the outset of this Congress. It fulfills our responsibilities in key priorities, such as children's health care, education, and veterans services. It sets us on a strong fiscal path, balancing in 5 years, and achieving a surplus in 2012. It allows for key tax relief for middle-class families.

Now, I have heard a lot of claims being made today about what the budget does and does not do. So let's be clear. I think Americans should know the choices that are at stake because this budget makes some clear choices and sets a very different set of priorities than the budget the President sent to us.

Our budget allows for up to $50 billion to be spent on reauthorizing SCHIP, so we can ensure that America's neediest children get the care and health coverage they need. Now, making the health coverage of our Nation's most vulnerable children a top priority would seem like a no-brainer for Members of Congress who have access to some of the best health coverage in the world, but that was not the case in the President's budget. His budget fell far short of what is needed to continue coverage for children who are already enrolled, let alone enough to expand coverage moving forward.

Our budget provides more than $9 billion—$9 billion more than the President for education. Now, why such a high increase? Well, look back at the past few years of education funding under the President, and you will see how much damage we are trying to repair.

For the next year alone, the President would have slashed $1.5 billion in Federal education funds, stifled student aid, deepened the hole in No Child Left Behind funding, and eliminated 44 programs, from education technology, to dropout prevention, to low-cost Perkins loans.

This budget rejects that long list of cuts to education. We increase funding by $3.5 billion over last year, so we can start to reverse the downward spiral that has plagued education under this President and the Republican majorities of the past and provide students the opportunities they deserve.

Our budget will increase funding for veterans' benefits and health services by $6.7 billion. It meets the request of the independent veterans groups and would increase veterans funding by $3.5 billion over the President's request. For far too long, under this administration's watch, our veterans have been held hostage to a subpar system that has failed to provide the care they deserve. Our budget puts an end to the funding deficiencies that have set that system up for failure. It also rejects the President's proposal to raise fees and copays for veterans.

Our budget shows our first responders that we will put our money where our mouth is. We will not tell our fire fighters, police officers, and emergency responders that we support them day in and day out but then provide them a fraction of the resources they need to do their jobs. So in addition to rejecting the President's mind-boggling proposal to cut first responder grants by more than $1 billion, we provide key increases for homeland security programs, including enough to double grants for port, rail, transit, and chemical security. We also restore funds that would have decimated the COPS Program—to put police officers on the streets of our communities—and the SAFER fire grants.

Despite all the rhetoric from the other side of the aisle about our budget plan, the fact is, we extend tax cuts that we all agree are pivotal for middle-class families. Our budget would continue marriage tax relief, extend the child tax credit, and lower tax brackets targeted to help the middle class. It would ensure that no new taxpayers would fall subject to higher taxes because of the alternative minimum tax next year.

Madam President, does the chairman have an additional minute?

Mr. CONRAD. Madam President, I yield an additional minute to the Senator from New Jersey.

Mr. MENENDEZ. I thank the Senator.

But what is key in our budget is how we achieve this tax relief. The difference is, we pay for it. Under our

strong pay-go rule, we will end the days of promising tax cuts now and paying for them 10 years down the road.

Madam President, I think our plan is clear. This budget is a significant departure from the debt-drenched plans we have seen from the President and Republicans year after year. This budget ends an era of dumping the fiscal burden on our children, our schools, and our veterans. Instead of undermining education, abdicating our responsibilities in health care, and neglecting our veterans, this budget restores a commonsense balance to our values that we should expect from the greatest Nation in the world.

We have a long road to digging ourselves out of the holes this President has created. But this budget is a first and sound step toward building a stronger nation.

Mr. GREGG. Madam President, will the Senator entertain a question?

Mr. MENENDEZ. Madam President, I say to the Senator, if you have time, I will be happy to.

Mr. GREGG. The Senator listed a whole series of accounts where spending has been increased. I was wondering if the Senator has added up that list he listed there. Is there a total? The Senator listed a specific set of numbers.

I added it up to be about $14 billion. Is that incorrect?

Mr. MENENDEZ. Madam President, I do not have that listing before me right now. But the bottom line is, in this budget, whatever are those increases I cited, they are paid for and ultimately meet the challenges we have as a country.

Does the Senator disagree with any of those priorities we have?

Mr. GREGG. Madam President, I am trying to get to the bottom of the question of whether this budget increases spending over the President's number.

The Senator from North Dakota has represented it does not. Yet Senator after Senator from the other side of the aisle has come to the floor and told us how much spending has increased.

Mr. MENENDEZ. Madam President, I think it is a reprioritization of those values within the context of the budget.

Mr. GREGG. Madam President, of course it is not. It is a $205 billion increase over the President's number.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Madam President, I make no assertion—I make no assertion—that we have not increased spending over the President's proposal. Certainly, we do because we have more spending for this Nation's veterans and for health care for our veterans. We have more spending for children's health care. We have more spending for education. We have more money for law enforcement. Why? Because the President cut the COPS Program 94 percent—the COPS Program to put 100,000 police officers on the streets. The President says: Cut it 94 percent. We do not agree with that. The President says we are not going to have the funding for our Nation's veterans, which the Nation's veterans say is essential.

Madam President, I ask for the time circumstance on both sides.

The PRESIDING OFFICER. The Senator from North Dakota has 5 seconds. The Republican side has 4 minutes 1 second.

Mr. CONRAD. Madam President, I ask unanimous consent that we now extend the time until 3:45 and equally divided between the two managers.

Mr. GREGG. Madam President, that is presuming after this time has expired, so we would not be equally dividing my 4 minutes.

Mr. CONRAD. Absolutely. I am extending the time past 3:30.

Mr. GREGG. The additional time be divided equally.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Hampshire.

Mr. GREGG. Madam President, there is a consistent inconsistency about the presentation from the other side of the aisle about this budget. The representation it does not raise taxes, on its face, is not consistent with the language in this budget.

Why would we have had to have the Baucus amendment, which extended tax cuts and reduced taxes—or represented it did—by $180 billion, if there had not been a tax increase in the bill?

There is a tax increase in the bill. In fact, the trigger language in this bill, which is now placed on top of the Baucus language, means the Baucus tax cuts—which were the original tax cuts of the President and they are being extended—will not come into fruition. They cannot possibly come into fruition because of the complexity of the trigger mechanism. They are subject to 60 votes. It is a Pyrrhic statement that those tax cuts exist. So this budget has a $916 billion tax increase in it.

Then, the representation that it does not increase spending—it increases spending dramatically. This is a budget that does what Democrats do: It raises taxes and it spends a lot of money. That is the game plan.

Then, there is the representation on the other side that they do not want to impact Social Security. Yet the budget takes $1 billion out of the Social Security trust fund in order to spend on their initiatives. They have a $200 billion domestic spending proposal on the discretionary side over what the President has. That spending comes directly out of the Social Security trust fund. It is a direct attack on the Social Security trust fund.

There is, of course, no effort on the entitlement side at all to control spending. The debt goes up by about $2.5 trillion.

But one of the key elements is this question of the trigger. I asked my staff to try to explain in layman's terms what this mechanism is that will allow the Baucus language to go forward, which would extend the tax cuts of the President of the United States. Well, in layman's terms, it is an alleged $180 billion extension of those tax cuts, which is subject to conditions only Rube Goldberg could appreciate. So we took a Rube Goldberg chart and we showed the different numbers that reflect what is happening. Essentially, the way this works is the tax legislation must include the following contingent provisions:

> None of the tax relief in this act shall have legal force and effect unless the Secretary of the Treasury and the Director of OMB project a surplus in 2012.

So these tax cuts do not get extended if there is no surplus, and we already know the capacity to spend money on the other side of the aisle will wipe out that surplus because the surplus is such a close number. Secondly, the tax relief can cost $180 billion or 20 percent of the projected surplus, whichever is smaller. So not only do they probably not have a surplus so they can't have the tax cut they allege they have—and it is not a tax cut; it is an extension of the tax policies which are in place today—but they create a mechanism which says you are not going to get all of that, you are only going to get 20 percent of it, and you know it is not going to be $20 billion.

What if the tax writing committees in their wisdom do not include the contingency clause? Well, then we switch to an entirely whole new set of miscellaneous conditions on the trigger. The House Budget Committee then has the following authority, the chairman: He will increase revenue numbers in the budget resolution to take away the tax cut if the Finance Committee doesn't include the contingency, and so instead of a budget increasing taxes to $736 billion, it actually ends up increasing taxes $916 billion.

There were a number of people who were wandering around this Senate after the last budget left here saying: Oh, hey, we included the Baucus language which extends those tax cuts which we agreed with the President on, which are things such as the child tax credit, protection of married people from the spousal tax, the tuition tax credit, credits for teachers who use money from their own personal accounts to help out in their schoolroom. We extended all those. But now we find out they didn't, and they don't, because they have created this trigger mechanism which came from the House which had none of those extensions, which makes it virtually impossible to presume these extensions are going to occur.

There are a lot of folks around here who are going to walk away with egg on their face, I believe. They are going to say they voted for a budget last time through where they extended those tax cuts, and this time they are going to try to claim they are doing it again when, in fact, what they are doing is setting up a clear action that

can't be accomplished. It is another example of a consistent inconsistency of this budget.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. I thank the Chair.

I have concluded from the Senator's remarks today he remains undecided on the budget. No. I know the Senator is opposed. He has done a very good job, I might say, of making his side of the case. The great thing about our country and about this institution is we have the right to come here and debate openly and even passionately our different views, and we have the right at the end of the day here to vote, and the majority rules. For 3 of the last 5 years, this country has had no budget. Hopefully, at the end of today, we will have put in place a budget for our country. That is our obligation and our responsibility, and I believe at the end of the day we will have accomplished this.

Even though the Senator from New Hampshire and I disagree with respect to the specifics of this budget, we agree on certain very important things. No. 1, we agree on the importance of having a budget. No. 2, the Senator and I happen to agree—and you would certainly miss this if you were listening to the debate today—but the Senator from New Hampshire and I have strong agreement on the unsustainability of our long-term budget situation. The Senator has talked about where we are headed in the long term, and I entirely agree with him, that in the long term we have a budget circumstance that is unsustainable, and it is going to be important for us to discipline the long-term entitlements. It is also going to be important to address these fiscal imbalances we face as a nation. We have begun the process by writing a budget that does balance by 2012, with a $41 billion surplus in 2012. The President still has not presented a budget that balances.

The Senator has questioned this whole trigger mechanism. It is true we did not have one in the Senate. The House insisted on a trigger mechanism in the conference. Let me indicate where we are with respect to the way the trigger works.

Under Office of Management and Budget numbers, the surplus in 2012 will currently exceed the amount needed to fully implement the Baucus amendment. The budget resolution surplus, excluding the Baucus amendment in 2012, is $290 billion. The trigger says you can only use 80 percent of that amount for tax relief. That would be $232 billion. The Baucus amendment costs $180 billion. So under the current OMB projections, the full middle-class tax relief that was provided for in the budget in the Senate will still be eligible, and that includes the relief for the estate tax reform as well.

In terms of how the trigger actually works, under current scoring by the Office of Management and Budget, there is sufficient room to have all of the middle-class tax reductions extended and to provide for estate tax relief.

What happens if this changes? What happens is we go through the year. For example, what happens when we pass a supplemental appropriations bill? That will certainly change the outyear forecast. There will be other things that may change the outyear forecast. Hopefully, revenue will come in above forecast. Other things will occur. None of us know. What happens if there is a future military conflict? What happens if there is a horrible natural disaster? We don't know.

What we do know is if there are not sufficient resources to permit the middle-class tax cuts being extended, that will not preclude us from providing the middle-class tax cuts; it would simply mean to whatever extent there is not budget room, we would have to find offsets. We would have to find a way to pay for it, or we would have to have a supermajority vote in the Senate. We would have to have at least 60 votes. Does anyone doubt this Chamber would produce a super-majority vote for middle-class tax relief?

Let's revisit the Baucus amendment that passed here on the floor of the Senate to provide middle-class tax relief and to provide estate tax reform. What was the vote? It was 97 to 1. That was the vote, 97 to 1. In the House, the vote was 364 to 57. Let's not be scaring people out across the country suggesting that the middle class will see their taxes go up. That is not what this budget provides. This budget provides all the money necessary to extend the middle-class tax relief and to provide for estate tax reform. Those provisions passed the Senate on a vote of 97 to 1 and passed the House of Representatives on a vote of 364 to 57. So even if we get to the point where the trigger is pulled because there are not sufficient resources in 2012, Congress retains the flexibility to extend the middle-class tax cuts and to reform the estate tax, and the evidence is pretty clear, the vote is going to be overwhelming to do it.

I thank the Chair. I ask at this point the time remaining.

The PRESIDING OFFICER. There is 13 seconds remaining on the Democratic side and 4 minutes 50 seconds remaining on the Republican side.

The Senator from New Hampshire.

Mr. GREGG. I suggest we extend the time until 3:50 and that the additional time be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GREGG. Make it 3:55.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GREGG. Madam President, we heard the Senator represent that the administration doesn't have a surplus projected, and yet he used administration numbers to project a surplus, so more consistent inconsistency.

But I think a more substantive issue here is the irony of the fact that the other side has such an aversion to letting people keep their own money through having reasonable tax rates, such as the spousal—not having penalties for people who are married, not having a child tax credit, having a tuition tax credit, paying teachers a credit for when they buy extra supplies for their classroom. They have such an aversion to those types of initiatives which let people keep their own money that they put in place a trigger mechanism to try to stop those things from occurring should they want to spend money to basically absorb that tax relief. The irony is they don't put in any trigger mechanism for the new spending they are proposing. There is a trigger mechanism here that says: Well, you can't keep your own tax dollars, you can't keep your own money; we are going to take it away from you in taxes, but there is no trigger mechanism that says when we spend a lot more money, which this proposal does, there should be some second-look mechanism to see if we can afford it. If we are running a deficit, why should we be adding new spending? There should be a trigger mechanism.

Well, I think it is because there is a philosophical difference here, obviously. On our side of the aisle, we believe it is the people's money and it shouldn't be taken from them unless you absolutely have to take it, and that the Government doesn't spend the money better than people spend their own money. On the other side of the aisle, it is the opposite view.

The additional irony or the additional inconsistency is those tax rates which have most benefited this economy and caused it to grow dramatically, and which have most benefited the Federal Treasury in that they have generated a huge amount of revenue we didn't expect, capital gains rates and the dividend rates are not included under any circumstances in this trigger exercise. The people who benefit the most from those are seniors, because seniors are the ones on fixed incomes and have dividend incomes. Seniors are the ones, when they get to that point in their life where they try to sell that asset which they have built up over the years—maybe a restaurant or a small business or their home—and they now are going to, under this proposal, get hit with a doubling of the capital gains tax, or almost a doubling, and a doubling to a 2½ times increase in dividend tax rates. No trigger mechanism, no matter how fallacious or fraudulent it is—which this one is—is even put in to try to protect them.

This is a budget which is truly in the tradition and which is the philosophy of the other side of the aisle, which is that you raise taxes, you spend money, and we in Washington know a heck of lot better how to spend your money than you do, the American wage-earner, the American individual.

We have been over this ground a lot, and you may think we are going over it again and again, and that is because we

are stalling for time, actually. We are waiting for the House to take action, and we are hoping they take it fairly soon so we can move to a vote.

Pending that, however, I do want to take a couple of minutes and thank my staff, led by Scott Gudes, who has done such an extraordinary job. They work ridiculous hours for low pay and they do it extraordinarily well. I want to thank the Democratic staff, led by Mary Naylor, who do an equal amount of hard work and probably get paid a lot more, I don't know. But they are special people, these folks who make this place run and work well, and we appreciate all they do. I also want to thank the chairman for his unrelenting courtesy and professionalism in running this committee. He is always fair with the minority.

We appreciate that. We try to run a committee that has comity, with a ''t''; although there is a fair amount of comedy, with a ''d.'' As a result, I think of the personality of the chairman, and we are able to do that. I appreciate his efforts in that arena.

He made the point that the country needs a budget. A bad budget we don't need. This is a bad budget. The fact is, the institution substantively does need a budget. We should not be running a government of this size—or any government—without something that gives you a blueprint. This blueprint is, obviously, a very poor one, a detrimental one, because it will grow the size of government and increase the burden of taxes, the deficit, and it raids the Social Security trust fund. Other than that, it is excellent. The fact is, a budget is important. So I am obviously of the view that should the Senator from North Dakota succeed in passing this budget, and we actually have a budget this year, to some degree that is an effort that he should be congratulated for, and it is something the Congress needed to do.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. Madam President, the Senator talks about a philosophical difference, that this is the people's money. I agree with that entirely. It is the people's money. It is also the people's debt, and I deeply believe we have an obligation to pay the bills around here. The easiest thing in the world is to come to Washington and be for every spending program and every tax cut. The problem is, that has led to our current circumstance—a debt that is running away from us.

Now, this budget does not solve all of our problems. I make no assertion that it does. But it begins the process of balancing the budget by 2012, and it begins the process of controlling the growth of the debt, and that is critically important to us as a country.

Let me just say that the House vote is underway. I will take a few minutes but, first, what is the time situation?

The PRESIDING OFFICER. The Democratic side has 3 minutes 49 seconds. The Republican side has 3 minutes 33 seconds.

Mr. CONRAD. Madam President, let me indicate this is the estimate of what this budget would do. It would take the deficit from $252 billion to a balance of $41 billion in 2012—a surplus in 2012 of $41 billion. It would reduce spending as a share of gross domestic product from 20.5 percent in 2008 down to 18.9 percent in 2012. It would begin to control the growth of the debt after 2010. It would bring down gross debt as a share of gross domestic product from 67.7 percent to 66.5 percent in 2012.

On the question of revenue, I go back to this point because it is inescapable. The President, when he produced his budget, said he was going to produce $14.826 trillion of revenue over the next 5 years. Ours produces $14.828 trillion. There is virtually no difference. The President said, when he put out his budget proposal, that was a responsible amount of revenue to raise, $14.826 trillion. Our budget raises virtually the identical amount that he said was the responsible amount to raise for this 5-year period.

Now, it is true CBO later came back and said: Mr. President, your budget doesn't raise as much as you said it would. That doesn't take away from the fact that the President, when he proposed his budget, thought that the amount of revenue that should be raised over this 5-year period is $14.826 trillion. It doesn't take away from the fact that our budget raises virtually the identical amount.

Not only do we deal with the revenue question that has been raised, we also provide alternative minimum tax relief so that tens of millions of people are not caught up in that tax. We extend the middle-class tax cuts. We fully provide for, in the numbers, marriage penalty relief, the child tax credit, the 10-percent bracket, and estate tax reform. At the same time, we move to fund the priorities of this country, expanding health care coverage for children because, not only is it a good investment, but it is the right thing to do. We have up to $50 billion over the next 5 years dedicated to that purpose. We have increased what the President called for in education funding because we think it is critical to help parents who have their kids in college or other higher education. So we have increased the President's budget by some 10 percent for education.

Also, our third major priority is veterans health care. Goodness knows, I think every Member of this body believes we need more resources than are provided for in the President's budget to meet the promises that have been made to this Nation's veterans. We closely followed the independent budget advocated by the Nation's veterans organizations.

We think this is a responsible budget worthy of our support.

Mr. GREGG. What is the time situation?

The PRESIDING OFFICER. The Senator has 3 minutes 33 seconds on the Republican side. No time remains on the majority side.

Mr. GREGG. Madam President, we were summarizing the budget. I think this is important. I think the Senator makes my case because he holds up the chart about all the new spending they are doing, which is my point. They do $205 billion in discretionary spending. There is this tax increase issue. He holds up a chart that says we are doing the same tax as the President, but he doesn't allude to the fact that one of those bars is calculated under OMB and the other under CBO. If you used the same scoring mechanism, it would show a significant difference in taxes. The facts establish that they do not extend the tax cuts that the President was going to extend. They don't extend them.

Then they have this phony trigger mechanism, which is a totally false presentation, which alleges they are going to extend some tax cuts when there is no way that triggering mechanism can work. If you were to accurately put this number down, it would be $916 billion because the trigger mechanism is clearly not going to be exercised, and the true tax increase in this budget is the same as the House tax increase as it left the House, which was $916 billion.

I think people of fairness would look at the House budget and say, yes, the House won the debate, but there was this fig leaf put on to make it look as if there was some tax relief in here from the initial proposal. Clearly, the House number is the one that survived this process—the $916 billion in tax increases, which is the biggest in history, no two ways about it.

Then you add to the debt. Yes, the debt will go up no matter whose budget you follow—the President's budget or the Democratic budget. The debt will grow. I take that as a given. But the fact is, the debt is going to grow significantly—$2.5 trillion—and it is the growth in debt that is going to be passed on to our children. A lot of it doesn't have to occur. At least $205 billion of it doesn't have to occur. That is the debt that will be incurred by spending which exceeds what the President proposed in the discretionary accounts.

Then, of course, is this issue of mandatory savings, which I happen to think is the core failure of this budget, besides the tax increases and spending increases because it is the outyear when our children are going to have to start paying these bills, when their lifestyle is going to be contracted dramatically because of the cost burdens of the baby boom generation, and nothing is done in this budget to try to address that.

The proposals out there are not radical. They don't even impact most beneficiaries—the reasonable proposals. We could have saved one-third of the outyear unfunded liability in the Medicare accounts by simply doing a couple of things which would not have impacted beneficiaries, other than

really high-income beneficiaries, people who make more than $80,000 or $160,000, retired Senators for example, asking them to pay a fair share of their cost of Medicare Part D, the drug program.

I see that my time is up. I am not sure we are ready to vote yet. I hope we are. I am not sure what the status in the House is.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. REID. Madam President, I so appreciate the work these two fine men have done on this bill. This was so difficult to get from that point to where we are now. It could not have been done but for the fact that these are two of our most experienced legislators, who work well together. They have political differences, but they understand the importance of getting a budget resolution.

Having said that, and recognizing some urgency in getting the vote done, I ask unanimous consent that the next 5 minutes be equally divided between the two managers of the bill, and if the House vote is completed at that time—and we believe it will be—the vote occur within 5 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. CONRAD. Madam President, I thank the majority leader. He has been an enormous and able leader going through this process. I can tell you on our side that we would not be here today without his absolute commitment to getting this job done, and getting it done right. My admiration for this leader has grown dramatically, and it was already high. Let me just say what an important leadership role he has played.

Mr. GREGG. Reserving the right to object, I wish to join the chairman in expressing my appreciation to the majority leader and to our leader on this side, Senator MCCONNELL. This was a complicated exercise, and the majority leader has been very cooperative with the Republican side of the aisle. We very much appreciate his courtesy to us.

Am I to understand that the request was that we would now have 5 minutes—well, now we are down to 4 minutes equally divided, which gives the Senator from North Dakota 2 more minutes to make my case; is that correct?

The PRESIDING OFFICER. The Republican side has 2 minutes. The majority party has 1 minute 57 seconds.

Mr. CONRAD. Madam President, I will conclude by saying I think the debate has been vigorous on both sides. I have made my points.

At this moment, I thank, first of all, my own staff. Mary Naylor, my staff director. Each and every member of this staff has worked extraordinary hours. I cannot even begin to say what it has been like—weekend after weekend, night after night. The other night, they were here until 3:30 in the morning. I deeply appreciate the sacrifice and the commitment this staff has made.

I also thank very much Senator GREGG, the Republican manager, the Republican ranking member. He is absolutely committed to dealing with our long-term fiscal imbalances in a responsible way. While we may have disagreements with respect to this budget agreement, the truth is, our larger agreement about the need to take on these long-term fiscal challenges, to me, overshadows the disagreements we might have on a 5-year budget resolution.

I also appreciate the professionalism of his staff, including Scott Gudes and his entire organization. I thank them. Although I don't like some of the charts they produce, they are really in the best traditions of the Senate. They are serious about public service, and we owe them a deep debt of gratitude as well.

Finally, I will conclude by again thanking my staff. My goodness, I will never forget the extraordinary effort they put in.

I yield the floor.

Mr. GREGG. Madam President, I reiterate what I said earlier about the work of the staff, which was extraordinary and exceptional on both sides of the aisle. It was fair and very professional.

These staff are truly outstanding public servants who work long hours and bring a commanding knowledge of policy, program, and, as one might expect, financial analysis. These are professionals who possess the skills to dig into the specifics of Federal programs and budgetary data, and they are just as comfortable dealing with ''the big picture'' and policy context of spending, revenues, and the overall budget of the United States.

The Budget Committee staff members are truly an integral part of the Gregg team, which also includes my personal office staff in Washington and New Hampshire and my appropriations staff.

Our Budget Committee staff is led by Scott Gudes and Denzel McGuire. The core of the Committee is our budget review group, professionals who are among the Nation's top budget experts: Jim Hearn, Cheri Reidy, David Pappone and Jason Delisle. Allison Parent provides our legal expertise as general counsel, assisted by Seema Mittal. Dan Brandt is our chief economist. Our health policy unit is headed by David Fisher and includes Jay Khosla, Liz Wroe, Melissa Pfaff, and until very recently Conwell Smith and Richie Weiblinger. Our team has a number of talented analysts who handle various, what we call ''budget functions'' or programmatic areas and various departments and agencies. This includes Vanessa Green, Winnie Chang, Mike Lofgren, Kevin Bargo, Jennifer Pollom and Matt Giroux. Along with some of the previously named staff, these analysts are experts on programs ranging from Department of Defense weapons systems to agricultural subsidies to FAA fees and modernization.

Our communications office is headed by Betsy Holahan and also includes Jeff Turcotte and David Myers. Senator CONRAD has mentioned our charts a number of times today. This office, and especially our webmaster David Myers, has worked tirelessly producing these—sometimes most creative—visual aids.

Mr. President, I would be remiss if I did not recognize the outstanding nonpartisan staff that keeps the committee operating. This includes Lynne Seymour, one of the most professional and decent staff members ever to work in this institution of the Senate. Lynne, Andrew Kermick, George Woodall and Leticia Fletcher serve Democratic and Republican staff with dedication.

Finally, I would like to reiterate our appreciation to Senator CONRAD and the majority staff. They are a pleasure to work with. Mary Naylor and her staff, people like John Righter, Lisa Konwinski, Joel Friedman, Joan Huffer, Jamie Morin, David Vandivier, Ann Page, Sarah Kuehl, Cliff Isenberg, Jim Klupner, Stu Nagurka—just to name a few—they are hard-working professionals who give Senator CONRAD and the Democratic membership on the committee 100 percent.

Of course, the Senator and I have great respect for each other. I reiterate my praise of him and the majority leader's efforts in trying to get this conference report going and doing it in a fair and honest way.

I yield back the remainder of my time.

The PRESIDING OFFICER. The majority leader.

Mr. REID. Madam President, this will be the last vote this week. Our first vote next week will be a 5:30 p.m. cloture vote on the immigration matter. It appears the Democrats and Republicans have reached an agreement on immigration, so we will spend a lot of time on that legislation next week, along with the supplemental.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The clerk will report the conference report.

The legislative clerk read as follows:

The Committee of Conference on the disagreeing votes of the two Houses on the amendments of the House to the concurrent resolution (S. Con. Res. 21), revising the congressional budget for the United States Government for fiscal year 2008, and setting

forth appropriate budgetary levels for fiscal year 2009 through 2012, having met, have agreed that the Senate recede from its disagreement to the amendment of the House to the text of the concurrent resolution, and agree to the same with an amendment, signed by a majority of the conferees on the part of both Houses.

The PRESIDING OFFICER. The Senate will proceed to the consideration of the conference report.

(The conference report is printed in the proceedings of the House in the RECORD of Wednesday, May 16, 2007, on page H5071 (Vol. 153, No. 81).

The PRESIDING OFFICER. The question is on agreeing to the conference report. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. JOHNSON) is necessarily absent.

Mr. LOTT. The following Senators are necessarily absent: the Senator from Kansas (Mr. BROWNBACK), the Senator from Oklahoma (Mr. COBURN), the Senator from North Carolina (Mrs. DOLE), the Senator from Utah (Mr. HATCH), the Senator from Arizona (Mr. MCCAIN), the Senator from Oregon (Mr. SMITH), and the Senator from New Hampshire (Mr. SUNUNU).

Further, if present and voting, the Senator from Utah (Mr. HATCH) would have voted ''nay''.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 52, nays 40, as follows:

[Rollcall Vote No. 172 Leg.]

YEAS—52

Akaka	Feingold	Nelson (FL)
Baucus	Feinstein	Nelson (NE)
Bayh	Harkin	Obama
Biden	Inouye	Pryor
Bingaman	Kennedy	Reed
Boxer	Kerry	Reid
Brown	Klobuchar	Rockefeller
Byrd	Kohl	Salazar
Cantwell	Landrieu	Sanders
Cardin	Lautenberg	Schumer
Carper	Leahy	Snowe
Casey	Levin	Stabenow
Clinton	Lieberman	Tester
Collins	Lincoln	Webb
Conrad	McCaskill	Whitehouse
Dodd	Menendez	Wyden
Dorgan	Mikulski	
Durbin	Murray	

NAYS—40

Alexander	Domenici	McConnell
Allard	Ensign	Murkowski
Bennett	Enzi	Roberts
Bond	Graham	Sessions
Bunning	Grassley	Shelby
Burr	Gregg	Specter
Chambliss	Hagel	Stevens
Cochran	Hutchison	Thomas
Coleman	Inhofe	Thune
Corker	Isakson	Vitter
Cornyn	Kyl	Voinovich
Craig	Lott	Warner
Crapo	Lugar	
DeMint	Martinez	

NOT VOTING—8

Brownback	Hatch	Smith
Coburn	Johnson	Sununu
Dole	McCain	

The conference report was agreed to.

Mr. CONRAD. Madam President, I move to reconsider the vote.

Mr. DURBIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CONRAD. Madam President, I just want to thank all my colleagues who supported this budget resolution. It is a responsible first step to restoring fiscal responsibility and meeting the priority needs of the country.

I thank my colleagues, I thank the Chair, and I yield the floor.

GENERAL LUTE TO BE ASSISTANT TO PRESIDENT

Mr. WARNER. Madam President, we have seen recently where it is the intention of the President to designate Lieutenant General Lute to take a position in the administration as an Assistant to the President and Deputy National Security Advisor for Iraq and Afghanistan, as well as working with the National Security Council. I have known this fine officer for some time. I have done an overseas trip with him to Africa. We went down to Liberia at a time of great trouble down there with a change in the administration. I have seen him working on the Joint Staff. I have had the opportunity to be briefed by him. I want to lend my strongest endorsement for this nomination.

I also wish to have printed in the RECORD the history of how active-duty military officers have been assistants to Presidents. I point out, from 1969 to 1970, General Haig was Military Assistant to the Presidential Assistant for National Security Affairs. General Haig then moved up in 1970 to be Deputy National Security Advisor. Then in 1973–1974, he was White House Chief of Staff and, following that, he had other important positions.

General Scowcroft, while on active duty, was Deputy National Security Advisor from 1973 to 1975. Admiral John Poindexter was National Security Advisor from 1983 to 1985, National Security Advisor from 1985 to 1986. Lieutenant General Colin Powell was Deputy National Security Advisor in 1987 and then Colin Powell moved up to National Security Advisor from 1987 to 1989.

I will have printed in the RECORD a list of those individuals who served our Presidents in the past in a comparable way.

I think it would be advisable if the President were to determine that General Lute would have an exemption, a security exemption granted by the President, such that he does not have to respond to the committees of the Congress, to come up as a witness. Otherwise, he should get an annex office up on Capitol Hill to respond to the many inquiries that will be generated here on the Hill and focused on General Lute to make a response. I think he can be more effective to the President if he is given that waiver authority.

I urge my colleagues to look with an open mind at this nomination. I spoke to Chairman LEVIN today. He indicated as soon as the papers were forwarded, our committee, the Senate Armed Services Committee, would review it in the context of our authority to review the change of position and assignments of general and flag officers. It is in that context that we would have a hearing on this nomination. I hope thereafter we can report it to the floor and that the Senate will act favorably upon it.

I thank the Chair for its customary indulgence on this, and thank my colleague from Connecticut. I ask unanimous consent that list be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Rank/name	Position	From	To
GEN Alexander Haig	Military Assistant to the Presidential Assistant for National Security Affairs	1969	1970
GEN Alexander Haig	Deputy National Security Advisor	1970	1973
GEN Alexander Haig	White House Chief of Staff (Nixon)	1973	1974
LTG Brent Scowcroft	Deputy National Security Advisor	1973	1975
ADM John Poindexter	Deputy National Security Advisor	1983	1985
ADM John Poindexter	National Security Advisor	1985	1986
LTG Colin Powell, USA	Deputy National Security Advisor	1987	1987
LTG Colin Powell, USA	National Security Advisor	1987	1989
LTG Donald Kerrick, USAF	Deputy Assistant to the President for National Security Affairs	1997	1999
LTG Donald Kerrick, USAF	Deputy National Security Advisor	2000	2000
GEN Michael Hayden, USAF	Director of Central Intelligence	2006	Present

MORNING BUSINESS

Mr. DODD. Madam President, I ask unanimous consent the Senate be in morning business, and each Senator be allowed to speak for no more than 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. I thank the Chair.

(The remarks of Mr. DODD pertaining to the submission of S. Res. 207 are located in today's RECORD under ''Submission of Concurrent and Senate Resolutions.'')

The PRESIDING OFFICER. The Senator from Florida is recognized.

CONGRATULATING SENATOR CONRAD

Mr. NELSON of Florida. I congratulate Senator CONRAD, the chairman of

the Budget Committee, who has done an absolutely masterful job in charting the boat of the Budget Committee through considerably hazardous waters, to be able to end up with a vote like he did today, 52 to 40, in the passage of the budget.

It is a budget that clearly is trying to accommodate enormous spending that we have to do for the defense establishment, for the national security needs of this country, and at the same time, to attack the issue of how we are going to pay for it.

The reality is, there are certain taxes we recognize we are going to have to do something about, because if we don't, it is going to hit the middle class. We have to do something about the 10-percent level for the lower income group. We have to do something about the child tax credit. Since all of them are tax cuts, it is going to cost revenue. We even have to tackle the issue of the estate tax, trying to craft a compromise which in this bill allows for then the Finance Committee to approach an exemption of $3.5 million per person of the estate tax and then reduce the tax rate from 55 to 45 percent that the balance of the estate would be taxed. That would protect the family farms, the family businesses, the vast majority of them in the country.

I compliment the Senator from North Dakota, who has had to be so dextrous and so insightful. Every little jot and tittle, every nuance he has had to attend to. It is a real confirmation of his ability that he gets a resounding vote as he did today on passage of the budget.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. WHITEHOUSE). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NELSON of Florida. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT OF CONFEREES—H.R. 2206

The PRESIDING OFFICER. The Chair, as to H.R. 2206, appoints Mr. BYRD, Mr. INOUYE, Mr. REID, Mr. COCHRAN, and Mr. MCCONNELL conferees on the part of the Senate.

Mr. NELSON of Florida. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NELSON of Florida. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT OF CONFEREES—H.R. 1495

The PRESIDING OFFICER. The Chair, as to H.R. 1495, appoints Mrs. BOXER, Mr. BAUCUS, Mr. LIEBERMAN, Mr. CARPER, Mrs. CLINTON, Mr. LAUTENBERG, Mr. INHOFE, Mr. WARNER, Mr. VOINOVICH, Mr. ISAKSON, and Mr. VITTER conferees on the part of the Senate.

Mr. NELSON of Florida. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. MENENDEZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

IMMIGRATION REFORM

Mr. MENENDEZ. Mr. President, over the coming week the Senate has a historic opportunity to move forward with tough, smart, and fair comprehensive immigration reform that secures our borders, that ensures our economy continues to thrive, that protects American workers, and that at the same time undoes the process of committing millions of people to languish in the darkness and be exploited, or we can choose to abdicate our responsibilities and tacitly maintain the status quo of failed laws and a broken immigration system that is weak enforcement, that leaves our borders and our citizens unsecured and at the same time permits human exploitation to continue.

As a group, several Senators, including myself, have been meeting and negotiating on comprehensive immigration reform over the past couple of months. I appreciate the President making Secretary Chertoff and Secretary Gutierrez available to try to reach an agreement that would do those things.

I have come, during the course of that process with other colleagues, to a better understanding of my colleagues and their thoughts on this issue through the many hours we have spent talking together about solving the immigration problems, though I have not always agreed with them. I would like to believe our discussions were serious, thorough, and in good faith. At times they were productive, at other times they hit obstacles, but when one considers the enormity of the task at hand, along with what is at stake, one would have to be naive in thinking this would be an easy process.

One thing we know for sure is that beginning next week, if cloture is invoked, an immigrating bill, in some form, will be considered on the floor of the Senate. I sincerely appreciate the commitment in regard to the time spent and the thought invested on this issue from all sides involved. The amount of work that has been put into this effort represents the interest level, not to mention the stakes.

I will say, however, that in large part, part of the problem in getting agreement this year was where the administration started off in their proposal, which acted as a marker in these negotiations. From the minute I saw that proposal, it was clear to me we were no longer where we were last year on this issue.

Last year, we passed a bipartisan bill, one that a majority of Americans could get behind. It was a historic effort that joined 23 Republicans with 39 Democrats to address an issue of urgent national importance. The bill is the basis of what Majority Leader REID has scheduled a cloture vote for next Monday afternoon. I do hope we will be able to get a vote to be able to continue to proceed. I appreciate the majority leader making this issue a priority, having given us 2 months of lead time, telling us a very significant part of the Senate's calendar was being reserved for this debate. I appreciate his leadership in that regard.

However, unfortunately, the administration, along with several of our colleagues on the other side of the aisle, decided to radically alter their views and began the process this year with a far more impractical, in my mind, far more partisan proposal. Evidently, the White House convinced itself that it must have the support of some Republican Senators who opposed and worked to defeat last year's bill in order to pass something this year. Therefore, the White House has proposed an immigration reform plan that is far to the right of the Senate's passed bill of a year ago.

Let me tell you what I believe the principles should be as to how the Senate should guide itself as it debates next week. I believe any immigration reform we pass must be tough in terms of the security of our country, it must be fair, it must be workable, it must be comprehensive in nature; that preserves, among other things, family values, keeps us safe as a country, rewards hard work and sacrifice, benefits all Americans, and promotes safe, legal, and orderly immigration. Now, I could not sign on to the agreement announced in principle earlier today because, in my mind, it does not meet the principles I just described.

Mr. President, I ask unanimous consent to just state that very briefly in Spanish.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MENENDEZ. (Speaking in Spanish.)

Mr. President, what I just said is I could not sign on to the agreement announced in principle because it tears families apart, and it says to many that they are only good enough to work here but not good enough to stay. Depending upon the category of individuals, it levies rather high penalties and fines, and it does not provide the confidentiality or judicial review necessary to bring those people who are undocumented in the country out of the shadows and into the light.

Now, I have serious concerns about the workability and the fairness of the

agreement announced earlier because, first and foremost, it tears at the fabric of family reunification by limiting and eliminating the ability of U.S. citizens and lawful permanent residents to petition for their children, their parents, and siblings to join them in this country.

I took it very much to heart when President Bush said family values don't stop at the Rio Grande, that we all share those family values. Yet here we are with a piece of legislation which I gather is largely supported by the White House which undermines the very essence of that. Even under a new point structure that is envisioned under this bill, it seems to me the essence of family could get much more weighty within the context of a whole new process of how we are going to move our immigration system forward. Family is a critical value—I thought—in our country.

It calls for a truly temporary and, I am concerned, potentially Bracero-style worker program that labor ultimately will not support and that could repeat the same problem all over, having us face this challenge in the years ahead by the way it is devised.

It does not have confidentiality and judicial review, at least not of the standard I have seen to date; it is still one of those floating things out there. The reality is, if we want people to come out of the shadows into the light, to know who is here to pursue the American dream versus who is here to destroy it, then we need to be able to have those individuals understand that they will, in fact, and should come forth so that, in fact, they can go through the process envisioned by the framework agreement but that they will have confidentiality and judicial review in the process. Without addressing those issues, the system that would be created under the proposal would do little to fix our broken immigration system in the long term.

Now, I support fines for those who have broken the law. But the fines that are proposed are prohibitive, and they make a pathway to legalization a path in name only. A family of four would have to pay $10,000 in fines and fees, which is more than last year's bill even after it was amended twice on the floor to increase those fines. That does not even include the cost of their trip to ''touch back'' when they seek to become a permanent resident. Unable to pay these fines and fees, some of the undocumented workers will be unable to come out of the shadows and into the light of American's progress and promise.

Giving people the opportunity to come out of the shadows is an essential and necessary component of immigration reform because it will allow us to recognize who is here to seek the American dream versus who is here to destroy it through criminal or terrorist acts such as those which were recently almost carried out at Fort Dix in my home State of New Jersey.

If we had the right set of standards, which I envision us having in our bill, and people would come forward, we would have caught those individuals by the background checks we would have conducted. But for those people to come forth, obviously, there has to be some sense that in fact there is a real opportunity; otherwise, no one will come forward.

They also propose virtually doing away with provision for family reunification which has been the bedrock of our immigration policy throughout our history. This idea not only changes the spirit of our immigration policy, it also emphasizes the family structure. If this system had been in place when my mother and father attempted to come to this country, they certainly would not have qualified.

As I have listened to the stories of so many of our fellow colleagues in the Senate and in the House of Representatives, I know many of their parents would never have qualified to come to this country. I would like to think that they made, and continue to make, some very significant contributions to our Nation. It seems to me a new paradigm could have been structured where family values and reunification have more of a fighting chance than under the framework agreement.

As for the temporary worker program, we are inviting in temporary workers but, of course, we expect them to leave. Yes, temporary is temporary, and we are going to rotate them through, but how we do that and what pathway at the end of the day we might provide for saying you are human capital is incredibly important to this country. As if you perform enough of it, there may be an opportunity for you to adjust your status. But the way that the framework document envisions, it can simply create another undocumented workforce. It also sends the message that there are some people good enough to work here but not good enough to stay here; there are others good enough to work here and to stay here. If one didn't know what year it was, one might think we were discussing the National Origins Act of 1924. These and other problems with the proposed deal have to be improved to be able to support the type of reform that will meet the principles I have outlined.

Generally speaking, it seems to me we have taken a radical departure from what we were able to collectively achieve last year. We need to take a hard look at it as we open the debate next week. For the sake of much needed reform, many Democrats, including myself, showed a willingness, even more than I would have envisioned, to make strides toward the White House's proposal. Even so there are certain issues where too much bend ultimately creates an impractical and ineffective immigration system.

Unfortunately, that is what I believe will occur under the agreement announced earlier this afternoon.

I, for one, cannot settle for something that isn't sufficiently responsible in terms of meeting these values—security of the country, making sure we deal with our economy in a way that doesn't depress wages but at the same time realizes certain economic sectors need help and preserves family values, and at the same time makes sure we end the exploitation that often takes place when those people are languishing in the darkness. It doesn't have to be perfect, but it does have to be fair, humane, and practical.

Part of the magic of our Constitution is that it eventually allows the better parts of our nature to prevail. The better part of our national character is found in the strength we have achieved through our diversity. But that better nature must be fought for and fostered; in my mind, one of the greatest parts of America's experiment that has made it the great country that it is. I look forward to leading efforts on the floor of the Senate that will strengthen our security, protect American workers, deal with the necessities of our economy, while at the same time upholding the promise and the value of the American story that we hold so dear. We need to improve the framework document that has been announced through the legislative process next week. This is too important an issue to allow partisan politics to play a role. It is too important an issue to only be concerned about appeasing a relatively small part of a political base that is unrepresentative of the American public at large.

We must come together not as Democrats and Republicans, or liberals and conservatives, but as statesmen and, in doing so, honor the traditions of the Senate as a body that values reasoning, honest debate, and compromise over sound bites, talking points, fear, and smear tactics.

I know in my heart this is possible. I pray that it is practical and that we can end up with a bill next week that does these things: secures our country in a meaningful way and at the same time makes sure that we can preserve the economic interests of our country in all of the different aspects of our economy; that can say that the promise of family values we hold so dear and that has been at the core for over four decades of our immigration system can continue to be a reality; that we can end the human exploitation of people within our country, and in doing so, we actually make our country safer, more secure, and more robust in its economy. That is where I hope to lead efforts on the Senate floor next week.

I appreciate the work that has been done by the Senators who have agreed to the framework agreement. I just believe it falls too short in some of the key principles for me to be supportive.

I am looking forward to a bill on which we can join together and say: We did the best for the Nation. We did what is humanely right. We did what is right for the Nation in terms of its security and its economy, and we have

preserved the very essence of what this Nation has been about.

From my home State of New Jersey, which was a gateway to millions of people across this country, particularly during the period of Ellis Island, we can almost touch Lady Liberty. Ellis Island is a short bridge walk across. The reality is that because of those people who have contributed so dramatically to our country, we all have a relationship to immigration—whether you can trace your history to the Mayflower and the voyage of that first opportunity, whether you are part of the Daughters of the American Revolution, whether you came with the millions in the European experience that crossed a great ocean through Ellis Island and then throughout our country, whether you came, as my parents did, in search of freedom, the reality is, we all have a connection. Let's honor that connection in a way that meets these values. Let' meet that challenge.

I hope we can do so next week as the Senate convenes on this historic debate. I look forward to that opportunity.

I yield the floor.

The PRESIDING OFFICER. The Senator from Florida.

Mr. MARTINEZ. Mr. President, I wanted to have an opportunity to speak for a moment on this very timely issue of immigration. I heard my colleague from New Jersey speaking. I know how hard he has worked with us to try to achieve a solution to this very difficult problem the country has faced for now over 20 years. I am disappointed that what we did fell short of his hopes. I thought I would take a moment and respond to some of his comments, but also in the hopes of inviting him back into the process where his support would be so welcome and so vital.

First, I should say there is nothing easy about this issue. There is nothing easy about the solution that we crafted, nor does it claim any sort of perfection associated with it because it is an imperfect bill. But it is a compromise. So what it implies by a compromise is that there are some things in it that I wholeheartedly support. There are some things that I might have liked to have seen differently. At the end of the day, that is how legislation is made. That is how it happens. We all give a little, and we end up someplace where we can move the country forward and provide the country with a way to resolve this very difficult issue that we call immigration.

One of the notions I would appreciate dispelling is the fact that this is a White House bill. It is not. This is just as much a Senator KENNEDY bill as it is a Senator KYL bill, and a Senator MARTINEZ bill as it is a Senator SALAZAR bill. I could name others: Senator GRAHAM, Senator MCCAIN, Senator ISAKSON. This bill has a great deal of balance because it not only enforces our borders first and foremost, which is what all Americans want at a time when our shores are threatened by potential terrorists, but it, secondly, does not do any of the other things that will be done in the bill until certain triggers are met, those triggers to have been in place as far as border security is concerned, the hiring of border agents, building the fencing, building of other physical and electronic barriers.

Then we move into another phase which is to provide a tamper-proof ID. This will ensure that those who are working will work legally. It then moves into other areas such as a guest worker program. This is a guest worker program which is a temporary worker program. It is not intended as a vehicle to immigration. It is to provide the labor that America needs in certain places and also to provide a good-paying job to certain people in other parts of the world who want to work here, but with a clear understanding before ever coming that they are coming to work for a limited period of time, much as a student visa holder comes for 2 years to go to school, coming for 2 years to go to work. Then they go home. They can renew that visa a couple of times.

Then a number of them will, if they acquire certain prerequisites, apply for permanent status here. Obviously, if they learned English, that would help them. If they learn a trade, that would help them. If their employer says they are a good worker, that would help them. That will be the basis for future immigration.

There still is a family component to immigration. Husband, wife, children, can come, grandparents—40,000 a year of parents can come. What we are going to do is change the paradigm to one where more merit is included in the equation. There will be a point system. Family will often be a tiebreaker. That will be maintained. But the paradigm of immigration will shift to a different one. It will then give the 12 million people who are here today living in the shadows an opportunity to come out of the shadows.

I don't know how anyone can overlook the significance of that act, the fact that this country of immigrants and this country of laws will be generous enough to say to those 12 million that are here, having come illegally to our country but who have worked, as long as they pay fines, as long as they obey the law and have not gotten in trouble, and as long as they are willing to learn the English language, they can have a path forward to stay here and continue to work. If they go back to their home country, they also can apply for permanent residence and get in back of the line as any fairness would dictate.

Fines, of course there will be fines. They can be paid over a period of years. They are not exorbitant, and they are only to the head of household. In this bill is the DREAM Act, an incredible achievement for the dream of education. The 12 million people living in the shadows in this country today find oftentimes their future dreams of a college education truncated by the inability to pay the tuition and the out-of-State fees. The DREAM Act is in this bill. That is an important consideration.

Part of this bill is going to take care of the agricultural needs of the country which is significant. I know in Florida, whether it is agricultural or hotel workers, whether it is theme park workers, in the tourism industry we desperately need workers. There are not enough there today. So the temporary worker program will help our economy while it helps people to have a good and decent job.

I think there are some things here that are tremendously positive. It is a very exciting day, and I am delighted to be a part of the compromise. Obviously, there will be politics all over the place. The right and the left will be criticizing many of us for having taken what I think is a very strong bipartisan step forward.

This is a coalition of many Senators working to pull something together that has been difficult, that is never going to be easy to do. I look forward to the debate in the Senate next week as we try to craft a solution for America going forward.

I thank the President for his leadership on this issue, and Secretary Chertoff and Secretary Gutierrez, who have been here countless hours, and my other colleagues who have been in the room—Senator MENENDEZ, who was finding it difficult to support the bill today but who has been there time and time again—and the Senator from Texas, Mr. CORNYN, who has tried, also, and may not be completely satisfied, but they have been in the very dynamics of seeing good, dedicated servants, such as these two Senators who are finding it difficult. We see the difficulty of this bill.

What I would hope is that a good nucleus of us will pull together, will come together. My hope is Senators CORNYN and SALAZAR and MENENDEZ, and many others, will find it possible to support this bill as we go into the debate next week. There will be opportunities to offer amendments. There may be ways of making it better. There could also be ways to make it a lot worse. My hope is we can hang together on this nucleus of a compromise that will make America stronger, that will give some charity to people who are here, while at the same time giving America the assurance that our borders are going to be secured.

It is not perfect. It is the best solution we could find today working together in good faith, in a bipartisan way. I hope the Senate will pass it. I hope it moves swiftly through the House, and we get it to the President's desk as soon as possible.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

ALTERNATIVE MINIMUM TAX

Mr. GRASSLEY. Mr. President, earlier this week, I spoke to my colleagues on fleshing out some of the options that may be circulating among the current Democratic majority in the other body, meaning the House of Representatives, for resolving the crescendo of the alternative minimum tax crisis that faces us right now in May of 2007, and for all the months before—and if we do not do something, all the months for the rest of this year, in which 23 million taxpayers who do not pay the alternative minimum tax, will be hit by it. These are 23 million people who were never intended to pay the alternative minimum tax because they are not considered the superwealthy.

As I said earlier this week, I do not like what I am hearing about what is going on in the other body, what they may put on the table in terms of paying for the alternative minimum tax, and the solution for that problem that is a fact of tax law right now.

However, I want to make perfectly clear a point on which I agree with the other party and the other body. I completely agree that dealing with the AMT is a priority issue and that Congress needs to address it.

The alternative minimum tax is an absolutely maddening tax that has insidiously crept into the homes of more and more families each year. I have spoken on this floor about its repeal—about its repeal—because, No. 1, it is hitting people it was not intended to hit, and also there are thousands it was intended to hit who have found ways out of paying the alternative minimum tax. So then you get into the ridiculous situation of people paying it who are not superrich, and you have superrich people it was intended to hit in 1969, when it was first put in place, who have found ways around it. So if it ''ain't'' working, then it is obviously broken, and you need to fix it.

The numbers of families paying the alternative minimum tax will rise from 4 million families, last year, to 23 million families in 2007—unless we take legislative action.

Chairman BAUCUS, my Democratic leader in our committee, and I introduced legislation on the first day of the 110th Congress to repeal the individual alternative minimum tax beginning in the 2007 tax year. But, of course, it does not appear that the Democratic leadership is eager to take up that legislation.

In each of the past 6 years, Congress has, in fact, passed legislation which at least for a temporary period of time successfully kept more people from paying the alternative minimum tax by increasing the amount of income that is exempt from the alternative minimum tax. In other words, by increasing the exempt amount, additional people were not hit by the alternative minimum tax.

These temporary exemptions that have happened over the last 6 years have prevented the alternative minimum tax from harming more and more middle-class Americans. Most recently, Congress acted to prevent millions of taxpayers from receiving a surprise on their 2006 tax returns by including an extension of this temporary AMT exemption increase in what is called the Tax Increase Prevention and Reconciliation Act of 2005.

In that 2005 bill, the exemption for married couples filing jointly was increased from $58,000 to $62,550 for the 2006 tax year.

This week marks the 1-year anniversary of the enactment of that bill in 2005—well, actually, it was not signed by the President until 2006. Nearly 20 million American families who were exempt from the AMT because of the temporary exemption increase in 2006 knew at this time last year Congress was moving to not tax many more millions of people by the alternative minimum tax in last year's tax earnings season.

This year, those families have no such assurance because the Democratic leadership—now in the majority as a result of the last election—in this Congress does not appear to be moving any legislation to address the alternative minimum tax.

Some of you may wonder why this is a pressing issue. Maybe you take the view that you need not address this because the AMT is such a stealth tax that millions of Americans who are going to owe AMT for 2007 have not even thought of that issue yet. It is something for which you might get the rude awakening after the first of next year as you prepare your income tax, and all of a sudden—boom—23 million more Americans are hit by this tax. So you do not worry about it during this 12 months. But do not play the American people for a fool.

I can understand why the taxpayers may not be thinking about it because for the past 6 years, as a second point, the Congress has addressed the issue on a timely basis, and the taxpayers did not miss a beat. When the Republicans were in the majority, American families could count on Congress to make sure this AMT issue was taken care of.

Now, it is nearing the summertime under Democratic leadership, and there is no clear path to a credible temporary or permanent solution. We need to address this now for the folks who do not even know what is about to hit them in the year 2007. And some were hit in April already. I will explain that. That is why it cannot wait. It is here and now for some taxpayers.

I hope, however, my colleagues have heard, then, from some of these constituents who are being hit by it. That happened through the estimated tax payment in April 2007, when at least some Americans were hit with paying this when they prepared that estimated tax payment you do four times a year. Those families have made that first payment and are painfully aware, then, of Congress's failure to act on the AMT this year, whereas 12 months ago we had already acted.

Until recently, I had hoped the Senate was unified in not wanting to collect the AMT for this year or any year in the future. On March 23—almost 2 months ago—I offered an amendment to the fiscal year 2008 Senate budget resolution that would have required Congress to stop spending amounts that are scheduled to come into Federal coffers through the alternative minimum tax. The legitimacy of that amendment was based on the proposition that the budget, which we just adopted today, the conference report—assumes these 23 million Americans are going to pay this tax they were never intended to pay. So get it out of the budget if you are taxing people who are not superrich and who were not supposed to pay it in the first place, and particularly when a few thousand of the superrich have even found ways to get legally around not paying a tax that was intended for them to pay. My amendment was not adopted because I think if my amendment had been adopted, we would have some honesty in the budgeting process. However, not a single one of my colleagues on the other side of the aisle voted in its favor.

On the House side, we hear the Ways and Means Committee is doing a lot of talking about the alternative minimum tax, but they have yet to move to action. It has been reported that House Democrats plan to exempt everyone who earns less than $250,000 from the AMT. Now, that is not eliminating it like I want to do, but it sounds to me as if that is a step in the right direction.

However, the new Democratic majority has pledged to offset any tax cuts. Some staggering proposals are bouncing around to offset a $250,000 exemption from the AMT. I outlined two of them on Monday when I spoke to my colleagues. One option would raise the top marginal income tax rate to over 46 percent—a rate that we have not seen since it was 50 percent between 1963 and 1981. Now, that 46 percent is up from the 35-percent marginal tax rate under current law.

There is another option the House may be considering, and that is to raise the top alternative minimum tax rate to 37 percent, up from 28 percent under current law.

I have to believe that anyone would shy away from actually proposing a double-digit tax rate increase. So let's take a minute to explore another approach we have heard floated for alternative minimum tax relief—paying for it by raising marginal tax rates on the top three income tax brackets.

Except for that 35 percent bracket, you are definitely talking about raising the tax on middle-income people to pay for or to offset the alternative minimum tax, now hitting those same middle-income people who were not intended to pay it in the first place.

Raising the top three income tax brackets—I do not know why Congress would want to raise taxes on top income tax brackets, let alone on the top

three brackets. However, if that idea is getting serious attention, then we need to look behind the lipstick and examine the pig. So I have a chart in the Chamber to show you how many taxpayers would be impacted.

In 2004, there were nearly 6 million individuals and families in the top three tax brackets. If you go through an analysis to show what the grim scenario of raising taxes on the top three income tax brackets might look like, it is not a very good picture.

There is another chart which lays out the numbers on an option prepared by the Tax Policy Center. I do not want you to think I am highlighting a partisan Republican analysis. The Tax Policy Center has undertaken an extensive analysis of multiple options on the alternative minimum tax. I think it would be more than fair to say they are a group that my colleagues on the other side of the aisle often look to for reasoned analysis of policy issues. In fact, I believe they recently testified at the Ways and Means Committee in the other body on precisely this point. They outlined many options in their study, and this is just one that I want to walk through for illustration purposes.

This option—they call it the ''broad reform and increase top income tax rates'' option—would reduce the number of AMT taxpayers by almost 90 percent in the year 2007. So that would mean you would have 300,000 people paying the alternative minimum tax instead of the 23 million middle-income taxpayers who are being hit with it right now, as I speak. Only 100,000 taxpayers with incomes below $200,000 would owe the alternative minimum tax under their plan.

Again, I think this is a step in the right direction, until you take a look at their plan to offset it, to offset this AMT relief. The plan would raise income tax rates on 6 million families in the top three income tax brackets. This chart shows then where the ordinary tax rates would go as a result of this suggestion.

For taxpayers in the current 28 percent bracket, and that includes single taxpayers earning $74,000 and married families earning $124,000, their tax rates would increase from 28 percent to 35.4 percent. That is higher than the current tax rate for the wealthiest Americans under present law. The current 33-percent bracket would go up to 41 percent, and the top tax bracket would go from the current 35 percent up to 45 percent. So again we would be facing another option that requires a double-digit, marginal tax rate increase.

So while I applaud the efforts of many to analyze potential AMT solutions, I urge my colleagues to be aware of anyone bearing marginal tax rate increases in their basket of goodies to solve this horrendous problem of 23 million middle-income taxpayers paying the alternative minimum tax. It was never supposed to be paid by middle-income people because it was a tax reserved for the superwealthy in 1969, numbering about 155 people. So how do you get from 155 people to 23 million people, if the tax policies are working the way they were intended to work?

Now, there is another alternative, and that is something Congress isn't apt to do and something in the budget that was adopted shows that the majority is not inclined to do. But Congress should control spending and stop budgeting with revenues flowing in on the ledger from the AMT instead of increasing taxes to solve the problem. AMT tax relief that relies on increases in ordinary tax rates to move the ball turns out to be no tax relief at all. I think we have the issue of whether we want to keep this economy going, and I speak of Chairman Greenspan. Maybe he was beyond his chairmanship when he said that the tax policies of 2001 and 2003 were responsible for the 7.8 million jobs, the growth in the economy that we have now, and bringing in three-quarters of a trillion dollars of revenue that nobody anticipated would be coming in when we gave those tax reductions. So why would you want to raise the marginal tax rates when Chairman Greenspan says the lower rates are responsible for the revitalization of the economy and kill the goose that laid the golden egg? It doesn't make sense.

Those are the ideas that are floating around this Hill to solve the problem of 23 million Americans being hit by a tax they were never intended to pay, counting revenue coming in from people who were never intended to pay it to show that the budget is balanced. Intellectually dishonest? Yes. Fraudulent? Yes. It is something that is unexplainable. Yet we are stuck with it and it ought to end. It is not going to end until we repeal a tax that shouldn't be on the books in the first place because it isn't hitting all of the superwealthy the way it was intended to, and it is beginning to hit 23 million middle-income people, and in the process, when you start raising taxes like that on that group of people, pretty soon you are going to ruin the middle class. The middle class is the stability of any society in the world, but particularly in the last 150 years, it has been the stability of America's society.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THIS WEEK IN THE SENATE

Mr. REID. Mr. President, let me say we have had some really good work this week in the Senate. When I came here on Monday and indicated we would have to work into the weekend, that wasn't just for fluff. I really thought we would have to do that because we had so much to do. We were heavily involved in WRDA, a bill that was so important to be done, but a lot of hiccups come in complex legislation like that. We were able to finish that in a few days. I was concerned about the budget and the time limits that are statutory in that regard. We completed that. I was concerned about the supplemental, getting something to the House, which was a tremendously difficult job. We were able to get that done. Finally, there has been an agreement in principle on immigration, which we will take up, I hope, Monday evening.

Any one of these things gives no bragging rights to Democrats or Republicans, but it gives bragging rights to Democrats and Republicans because none of this could have been done but for the recognition that you have to work together to get things done. There is no better example of that—and I said it briefly on the floor yesterday—than Senator BOXER and Senator INHOFE. They are really two political opposites in most everything. But they are also experienced legislators, both having served in the House and in the Senate. Senator BOXER is chairman of the committee now, and Senator INHOFE was chairman of the committee. Senator INHOFE knew how important WRDA is. He worked together with Senator BOXER, and vice versa, and they got that done. That is tremendously good work.

On the budget, I boast about the managers all the time because I think they work well together—Senators CONRAD and GREGG. What they were able to piece together with this budget was very difficult. It wasn't mechanical, but it was difficult.

On the supplemental, I give a little credit to me, a little credit to Senator MCCONNELL, and the rest of the credit to the Senate because we were able to get that done and get a bill to conference with the House. We have had a number of meetings with the President's chief of staff—Senator MCCONNELL and I, Speaker PELOSI, and other representatives of the President. We hope to be able to complete that very important conference report by next week at this time.

Finally, on the immigration issue, at this stage, I have kept this to myself, but Senator MCCONNELL was one of those who urged me to stick to my timeline, stick to the 2 weeks. He said, ''If we are going to get anything done, you have to set a time limit.'' We did that. I don't know if the immigration legislation will bear fruit and we will be able to pass it. At least we have something to talk about as a legislative vehicle on the floor that is bipartisan in nature. You may not agree on the respective parts, but that can be debated. We are going to start Monday night.

The reason I mention that this evening is all Senators and all staffs

are watching. The players on that—Senators SPECTER, LEAHY, KENNEDY, KYL, and others—have recognized they are going to have to work into the night. If we are going to finish this bill next week, we are going to have to work nights, and that doesn't mean 6:30 at night. We have one Senate event that we are locked into Tuesday evening, but that doesn't mean the managers cannot work while we do that. It is an event at the Botanical Gardens for Senators. So we are going to work long, hard hours to complete that most important legislation.

In short, this was a very good week for the Senate and for the American people.

We need a lot more weeks like this, and we hope to do that in the future.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. MCCONNELL. Mr. President, if I can add briefly, I commend the majority leader for this week. I think we did have a good week. I am particularly pleased that we seem to be on a glidepath to completion of the important troop funding bill. There is a bipartisan agreement we need to have a signed bill providing funding for the troops before Memorial Day, and the distinguished majority leader and myself, and the President's representative, Chief of Staff Josh Bolten, have been working toward that end and will continue to do that tomorrow in an additional meeting with the Speaker and Leader BOEHNER from the House.

I, too, am pleased a bipartisan agreement on immigration appears to be coming together. On the day I was elected Republican leader, I said I hope this Congress will do two important things that will make a difference for our country. I thought the divided Government was uniquely situated to tackle both of these issues. One of them was Social Security. I am not as optimistic on that issue as I would like to be. And the other issue is immigration. There is reason for optimism today that the Senate, on a bipartisan basis, will come together and pass a landmark piece of legislation. We will find out next week, but I think the compromise announced today certainly gives room for optimism that might occur.

I did support the majority leader's decision to turn to that issue before Memorial Day. I thought it gave us the best chance of passing legislation, and with those kinds of deadlines, it gave us the best chance of coming together. Hopefully, that process of coming together was achieved earlier today.

Mr. President, I yield the floor.

ARMED FORCES DAY

HONORING FRANK WOODRUFF BUCKLES, AN AMERICAN HERO

Mr. BYRD. Mr. President, May 19 is Armed Forces Day. This is the day our country sets aside each year to remember and to honor the brave and patriotic Americans who serve today in the United States Armed Forces.

On Armed Forces Day in 1953, President Dwight David Eisenhower noted, ''It is fitting and proper that we devote one day each year to paying special tribute to those whose constancy and courage constitute one of the bulwarks guarding the freedom of this nation and the peace of the free world.''

More than a half century later, his words still ring true. The survival of freedom still costs the commitment and sacrifice of America's sons and daughters. I want to use this opportunity to let them know that we in the United States Congress are thinking of them, and that we thank them for their service to our country.

I would also like to use this opportunity to pay tribute to another brave and patriotic American, Mr. Frank Woodruff Buckles, who currently resides in the historic town of Charles Town, WV, and who served in the Armed Forces of the United States 90 years ago.

That's right—90 years ago.

Mr. President, last month, April 6 marked the 90th anniversary of the America's entrance into World War I.

That was the ''war to end all wars.'' That was the ''war to make the world safe for democracy.'' We know that did not happen. But World War I was the historic, global conflict that brought the United States onto the international scene. And it marked the emergence of the United States as a superpower.

Mr. President, 4.7 million Americans served in the U.S. military during that war—the ''great war'' as it was called.

Of the 4.7 million Americans who served in World War I, only 4 are still living. One of them is Mr. Frank Woodruff Buckles of Charles Town, WV.

Mr. Buckles was born in Harrison County, MO, on February 1, 1901, about 40 miles from the birthplace of his future commander, GEN John J. Pershing, the commander of the American Expeditionary Force in World War I.

Mr. Buckles was only 16 years of age when the United States entered the war.

Therefore, when he went to enlist in the Marines in order to fight the kaiser, he was rejected because he was too young.

So he then tried the Navy. This time he was rejected because he was flatfooted.

Determined to serve his country, Mr. Buckles went into the Army. This time, he was successful in enlisting because he lied about his age. On August 14, 1917, Mr. Buckles enlisted in the United States Army. Four months later, in December, 1917, he sailed ''over there'' aboard the RMS *Carpathia*, the vessel that had rescued the survivors of the *Titanic* 5 years earlier.

As a doughboy, Private Buckles drove dignitaries around England and an ambulance around France. Mr. Buckles usually downplays his wartime experience, explaining: ''There was nothing dramatic about it. Sometimes I was driving in Winchester, England, sometimes France.'' But his experience was indeed dramatic and it was important. Once war was declared, Mr. Buckles did not wait for his country to call him. He went from one military service to another until he was able to enlist, even if it meant fabricating his age. It was the willingness of 4.7 million brave and patriotic Americans to enter the military and to serve our country that won that war. On this Armed Forces day, we need to remember them as well as the men and women currently wearing our Nation's uniforms. We must keep all of them in our hearts and prayers, and make sure our country serves them, just the way they have served our country.

Mr. Buckles was discharged from the Army in 1920 at the age of 18. He attended business school, and then worked in various jobs in the United States and Canada, including a stint in the bond department at Bankers Trust in New York City.

But his love of adventure and sense of excitement eventually led him out to sea again, this time working for different shipping lines as a purser and quartermaster. He first worked off the coast of South America, then on to Europe.

In the 1930s, his work on a steamship line took him to Nazi Germany, where he attended the 1936 Olympics in Munich. Here he saw the great Jessie Owens win a gold medal to the great embarrassment of German Chancellor Adolph Hitler, who he also saw at the games.

In 1940, his work on steamship lines then landed him in the Philippines. He was working in Manila when the Japanese invaded. Mr. Buckles was captured and spent the next 3½ years in Japanese prison camps. Although he was a civilian, he was treated as a prisoner of war. At dawn, February 23, 1945, the same day that the American flag was raised on Iwo Jima's Mount Suribachi, the 11th Airborne Division liberated Mr. Buckles and his fellow prisoners.

After his release from prison camps, Mr. Buckles finally decided he had enough adventure and excitement. ''I had been bouncing around from one place to another for years at sea,'' he explained. ''It was time to settle down.'' So he married Audrey Mayo.

I am pleased to point out that in 1954, Mr. Buckles and his wife settled on a 330–acre farm in the Eastern Panhandle of West Virginia, the same area where his ancestor, Robert Buckles, had settled in 1732.

For the next five decades—that's right, five decades—Mr. Buckles has continued to operate his beloved farm.

Maybe it is from breathing that good, clean West Virginia mountain air, or, perhaps, it is his own eternal youth and vigor. Whatever the reason, at the age of 106, this hardy West Virginian is still going strong. He will serve as grand marshal of the World War I section of the Memorial Day parade, here in Washington DC. A few years ago, the

President of France presented Mr. Buckles with the Legion of Honor at a ceremony honoring World War I veterans at the French embassy here in Washington, DC. And he has been the subject of feature stories in USA Today, the Charleston Daily Mail, and ''America's Young Warriors,'' and a number of other newspapers and magazines.

Mr. President, on this Armed Forces Day, I salute this brave and patriotic American. And I again salute and thank all those men and women serving in our Armed Forces today for their commitment and their sacrifice.

Mr. MARTINEZ. Mr. President, this Saturday, May 19, is Armed Forces Day. Celebrated annually on the third Saturday of May, this is a day for all of us as Americans to rally around our military members—wherever they are serving—and thank them for their patriotism and duty to country. This day has a long and proud history. With President Harry S. Truman leading the effort for this holiday, it came to fruition just a few years after the close of World War II. It was at the end of August 1949 that Secretary of Defense Louis Johnson announced the creation of Armed Forces Day to replace separate days of celebration for the Army, Navy, Marine Corps, and Air Force. While the roots of this celebration may have resulted from the unification of the Armed Forces under the Department of Defense, it serves much more than a consolidative purpose.

The account of the first Armed Forces Day is particularly riveting—as recorded in a page on the official web site of the Department of Defense: ''The first Armed Forces Day was celebrated by parades, open houses, receptions, and air shows. In Washington DC, 10,000 troops of all branches of the military, cadets, and veterans marched pas[t] the President and his party. In Berlin, 1,000 U.S. troops paraded for the German citizens at Templehof Airfield. In New York City, an estimated 33,000 participants initiated Armed Forces Day ''under an air cover of 250 military planes of all types.'' In the harbors across the country were the famed mothballed ''battlewagons'' of World War II, the *Missouri*, the *New Jersey*, the *North Carolina*, and the *Iowa*, all open for public inspection. Precision flying teams dominated the skies as tracking radar [was] exhibited on the ground. All across the country, the American people joined together to honor the Armed Forces.''

It is that last sentence that stands out to me: ''All across the country, the American people joined together to honor the Armed Forces.'' Let this Saturday be another one of those days. Wherever our brave military men and women are this Saturday—be it on the front lines in Iraq or Afghanistan, stationed along the DMZ that divides North and South Korea, on the open sea across the globe, or training in the great American skies above, let's honor them. Let us not forget their service and dedication to protecting our freedoms and defending our way of life this Saturday and every Saturday, this day and every day.

To all our brave men and women in uniform and your families: thank you for your selfless service and sacrifice.

WE THE PEOPLE: THE CITIZEN AND THE CONSTITUTION NATIONAL TEAM

Mr. REID. Mr. President, from April 28 to 30, 2007, approximately 1,200 students from across the country participated in the national finals of We the People: The Citizen and the Constitution, an educational program developed to educate young people about the U.S. Constitution and Bill of Rights. The We the People program is administered by the Center for Civic Education and funded by the U.S. Department of Education through an act of Congress.

During the 3-day competition, students from all 50 States demonstrated their knowledge and understanding of constitutional principles. The students testified before a panel of judges in a congressional hearing simulation focusing on constitutional topics. I am pleased to announce that Damonte Ranch High School from Reno, NV, won their statewide competition and earned the opportunity to compete in the national finals.

The names of these outstanding students from Damonte Ranch High School are as follows: Fabien Dior-Siwajian, Ashley Fanning, Morgan Holmgren, Stephanie Kover, Tony Miller, Amy O'Brien, Stephany Pitts, Austin Wallis, and Eben Webber.

I would also like to commend the teacher of the class, Angela Orr, who donated her time and energy to prepare these students for the national finals competition. Also worthy of recognition is Marcia Stribling Ellis, the state coordinator, and Shane Piccinini, the district coordinator, who are among those responsible for implementing the We the People program in Nevada.

Please join me in congratulating these students on their outstanding achievement at the We the People national finals and wish them the best of luck in the years ahead.

COPS IMPROVEMENTS ACT

Mr. LEAHY. Mr. Presdient, this Congress has been making important efforts to show our support and commitment to our Nation's law enforcement officers. This week marks the 44th year that we have celebrated National Police Week. On May 1, the Senate passed a resolution sponsored by my colleague Senator SPECTER, the ranking member of the Judiciary Committee, and myself, marking May 15, 2007 as National Peace Officers Memorial Day. Earlier this week, I was honored to participate in that ceremony here at the Capitol hosted by the Grand Lodge of the Fraternal Order of Police and its auxiliary. As we do each year, we gathered with the families of those who lost loved ones in 2006 while serving in the line of duty. We commemorated their sacrifice to keep us safe and secure.

On Tuesday, the House passed H.R. 1700, the COPS Improvements Act of 2007, by an overwhelming vote of 381 to 34. The Senate Judiciary Committee has voted to report the Senate's companion bill which I joined with Senator BIDEN to introduce. Despite tremendous support for this legislation, a Republican objection to passing the House bill has prevented this important legislation from passing the Senate. I am disappointed that Senate action on these vital improvements to the COPS Program has stalled, and I hope the objection is withdrawn so that the Senate can pass H.R. 1700.

This legislation would reauthorize and expand the ability of the Attorney General to award grants aimed at increasing the number of cops on the streets and in our schools. To accomplish this goal, this bill would authorize $600 million in designated funds to hire more officers to improve and expand community policing, which will in turn help reduce crime. In Vermont, for example, passage of the COPS Improvements Act would likely mean that 110 new officers would be put on the beat. Additionally, the COPS Improvements Act would authorize $200 million annually for district attorneys to hire community prosecutors and $350 million annually for technology grants.

The COPS Program has been a resounding success, and the improvements to the program that are contained in this bill would help our State and local law enforcement agencies cope with the substantial reductions in funding they have endured in recent years. Despite these reductions in funding, law enforcement officers have an increased role in homeland security responsibilities. H.R. 1700 includes ''Terrorism Cops,'' officers who are focused specifically on homeland security, and would also include the Troops to Cops Program to help soldiers returning from the battlefields of Iraq and Afghanistan. In short, this legislation gives our law enforcement officers the tools they need to reduce crime and protect our citizens.

The Government Accountability Office has reported that between 1998 and 2000, COPS hiring grants were responsible for 200,000 to 225,000 less criminal acts—one-third of which were violent. With violent crime on the rise and our State and local law enforcement officers stretched thin with new responsibilities, it is essential that we pass this legislation. I urge those on the other side of the aisle to withdraw their objections and support our State and local law enforcement agencies by passing H.R. 1700.

340B PROGRAM IMPROVEMENT AND INTEGRITY ACT

Mr. THUNE. Mr. President, this Chamber has spent a good deal of time

recently discussing an important topic that affects all consumers in this country—the high cost of prescription drugs. Not only do rising prescription drug costs contribute to all individuals' health insurance costs—but our health care providers feel the burden of these rising costs as well.

In my home State of South Dakota, rural hospitals serve as a lifeline to thousands of constituents living in medically underserved areas—and the rising cost of drugs continues to squeeze their budgets. As we continue to see in all regions of the country, cost directly impacts access.

In 1992, Congress created the 340B program under Medicaid to lower the cost of drugs purchased by a limited number of entities serving a high number of low-income and uninsured individuals—such as Federally Qualified Health Care Centers and nonprofit hospitals providing care to a disproportionate share of Medicaid patients. Under the 340B program, pharmaceutical manufacturers are required to provide these entities discounts on outpatient drugs as part of each manufacturer's Medicaid participation agreement.

This week, I was pleased to reintroduce legislation with my colleague from New Mexico, Senator BINGAMAN, to improve the 340B program and extend these discounts so that they not only apply to outpatient drug purchases, but also inpatient prescription drug purchases for qualifying hospitals.

Additionally, this bill would expand eligibility in the program to all critical access hospitals, as well as sole community hospitals and rural referral centers that serve a high percentage of low-income and indigent patients.

This legislation includes important provisions to improve the integrity of the program and generate savings to Medicaid. Specifically, the bill would generate savings for the Medicaid program by requiring participating hospitals to credit Medicaid with a percentage of their savings on inpatient drugs. Additionally, the bill seeks to enhance the overall efficiency of the 340B program through improved enforcement and compliance measures with respect to manufacturers and covered entities.

Hospitals serving predominately rural areas, such as the 38 critical access hospitals in South Dakota, play a crucial role in my State in providing care to patients in underserved communities. Extending the 340B drug discount program to these hospitals will help them to afford their prescription drugs—and at the same time lower the overall cost of care at these hospitals and to the Federal Government.

The 340B Program Improvement and Integrity Act of 2007 is commonsense legislation that reduces the cost of drugs for health care providers serving society's most vulnerable citizens. I look forward to working with my colleagues on both sides of the aisle to get this bipartisan legislation passed and signed into law.

AGREEMENT ON TRADE

Mr. FEINGOLD. Mr. President, last week, amid great fanfare, several Members of the House and Senate announced they had reached an agreement with the administration on language that facilitates the implementation of two trade agreements, and paves the way for the possible consideration of additional trade agreements as well as the extension of so-called fast-track trade agreement implementing authority.

No sooner had the announcement been made than questions were raised about just what the agreement was. A comparison of the representations made by the parties to the agreement revealed several potentially contradictory interpretations of the deal. And when details of the agreement were sought, it was discovered that there really weren't any, that what the parties had agreed to was a set of principles. We now understand that the actual details of the agreement may not be fully spelled out until legislation implementing the trade agreements is presented to Congress for approval. Until then, everyone is free to spin this agreement as they wish.

Given the parties that were involved, hearing the announcement was a bit like hearing that the foxes and wolves had reached a deal on guarding the hen house. For the most part, the people who were negotiating this agreement have a nearly unbroken record of supporting the deeply flawed trade policies of the past decade and more. From the North American Free Trade Agreement, NAFTA, to the General Agreement on Tariffs and Trade, GATT, which created the World Trade Organization, to granting China permanent Most Favored Nation status, to the more recent agreements like the Central America Free Trade Agreement, the actors in this deal have all been singing from the same hymn book. While I don't question the good intentions of those who were involved, no one should have expected last week's announcement to produce significant changes to that hymn book.

Our trade policy has been disastrous. It has contributed to the loss of several million family-supporting jobs in this country. It has left communities across my State devastated, and I know the same is true in communities around this country.

Our trade deficit reaches new heights every year, as we send more and more of our wealth overseas, much of it in the form of factories that provided entire communities with decent, good-paying jobs. I hold listening sessions in each of Wisconsin's 72 counties every year. This is my 15th year holding those listening sessions, listening to tens of thousands of people from all over Wisconsin. I completed my 1000th of those sessions last fall, and I can tell you that there is nearly universal frustration and anger with the trade policies we have pursued since the late 1980s. Even among those who would have called themselves traditional free-traders, it is increasingly obvious that the so-called NAFTA model of trade has been a tragic failure.

I voted against NAFTA, GATT, and permanent most favored nation status for China, in great part because I felt they were bad deals for Wisconsin businesses and Wisconsin workers. At the time I voted against those agreements, I thought they would result in lost jobs for my State. But, as I have noted before, even as an opponent of those trade agreements, I had no idea just how bad things would be.

Nor does the problem end with the loss of businesses and jobs. The model on which our recent trade agreements have been based fundamentally undermines our democratic institutions. It replaces the judgment of the people, as reflected in the laws and standards set forth by their elected representatives, with rules written by organizations dominated by multinational corporations. Food, environmental, and safety standards set by our democratic institutions are subject to challenge if they conflict with those approved by unelected international trade bureaucracies. Even laws that require the government to use our tax dollars to buy goods made here, rather than overseas, can be challenged.

Our trade policy is a mess, and it needs to be fixed.

As bad as our trade policies have been, they have not been partisan policies. I wish they were. I wish I could lay the blame at the feet of our colleagues in the other party. But Members of both parties have aided and abetted these flawed policies. Presidents of both parties have advanced them, and Members of Congress from both sides of the aisle have approved them.

It should not come as a shock to anyone, then, that while the agreement announced last week was bipartisan, because it was negotiated by people who largely supported the flawed trade agreements of recent years, it fails to address in a meaningful way the concerns of those who have opposed those same agreements.

It is noteworthy that while the announced agreement is primarily related to enhancing international worker standards, not a single union has endorsed it. While the agreement reportedly enhances international environmental standards, no environmental groups have endorsed it. Nor have those business groups that have been critical of our trade policies.

We are making progress, albeit slow progress, in educating the public and policymakers on the true nature of our trade agreements. In the past, when opponents of these flawed trade deals raised questions about the actual provisions in those agreements, supporters were quick to play the free trade card and label those who questioned the agreements as ''protectionist.''

This charge resonated with many of our newspaper editorial boards, who

have parroted the elegant theories of 18th century economist Adam Smith.

But the trade agreements into which we have entered in recent years are not simply reductions in tariffs, as Adam Smith envisioned. If these agreements were just reductions in tariffs, they could be implemented by a bill that is only one or two pages long. Of course, that is not the case. These agreements are lengthy. The bills that implement them are so massive as to be almost bullet proof. And the reason is that they go far beyond merely lowering tariffs. As Thea Lee wrote in the Wall Stree Journal:

We should all understand by now that modern, (post-NAFTA) free-trade agreements are not just about lowering tariffs. They are about changing the conditions attached to trade liberalization, in ways that benefit some players and hurt others. These are not your textbook free-trade deals. These are finely orchestrated special-interest deals that boost the profits and power of multinational corporations, leaving workers, family farmers, many small businesses, and the environment more vulnerable than ever.

Increasingly, some who blindly accepted these trade agreements in the past now are beginning to read the fine print. They recognize the role these agreements have played in our skyrocketing trade deficits and the loss of millions of jobs. They understand that if we are to have a sustainable trade policy, then we must dramatically alter the NAFTA model of trade on which our recent trade agreements are based.

The agreement announced last week does not do that. And until our trade agreements better reflect a more sustainable relationship with our trading partners as well as the broader interests of our own national priorities—keeping businesses and good-paying jobs here, ensuring strong protections for our environment, our food safety, and even the ability of our democratic institutions to set those national priorities—I will continue to oppose them.

DARFUR

Mr. FEINGOLD. Mr. President, I am pleased to join my colleagues Senators MENENDEZ and BROWNBACK this week in introducing a resolution that recognizes the unique diplomatic and economic leverage that China possesses, and that offers that country a rare opportunity to be a force for peace in the troubled Darfur region of Sudan.

By now, we are all aware of the devastation being wrought upon the innocent people of Darfur. Over the past 4 years, hundreds of thousands of people have been killed and more than 2.5 million displaced as a result of the ongoing and escalating violence caused by the Sudanese Government, associated Janjaweed militia attacks, and even the numerous rebel factions. Congress declared the Sudanese Government's atrocities to be genocide nearly 3 years ago, and my colleagues and I have been actively demanding that the United States do everything in its power to bolster the hard-working but inadequate African Union peacekeeping mission, support the efforts of courageous humanitarian workers, hold those responsible accountable for their actions, and persuade all parties to commit to a legitimate political resolution that can end the conflict and ensure people can safely and voluntarily return to their homes.

Although I am frustrated that the United States' efforts to achieve these key objectives have been inadequate, I am even more upset by the Sudanese Government's persistent obstruction of all efforts to address Darfur's deep security, humanitarian, and political crises. The United States and other Western governments have made significant political and material investments in Sudan in an attempt to bring peace to that conflict-torn country, but as long as Khartoum continues to thwart its international obligations and pursue its violent campaign, these investments will not bring Sudan closer to peace.

All parties agree that the tipping point in Sudan will come when the government there sees the costs of continuing to break existing promises and obstruct new agreements as greater than the benefits it can achieve by doing so.

The country perhaps best positioned to affect the calculus of this cost-benefit analysis is China. Over the last decade, Beijing's energy firms have invested between $3 billion and $10 billion in the Sudanese energy sector, and China now exports seventy percent of Sudan's oil. China recently cancelled over $100 million in Sudanese debt and is building roads, bridges, an oil refinery, a hydroelectric dam, government offices and a new $20 million presidential palace. With these debt savings and oil revenues, Sudan has doubled its defense budget in recent years, spending 60 percent to 80 percent of its oil revenue on weapons—arms mostly made in China. I was very disturbed to see that the chief of Sudan's armed forces was so warmly welcomed in Beijing last week and promised increased military exchanges and cooperation.

Eleven States, half a dozen cities, and more than 30 academic institutions across the United States have decided to divest from companies that do business with the Sudanese Government. Many of these companies are Chinese, which sends a signal to both Beijing and Khartoum that Americans—and others around the world—are willing to put their money where their mouths are when it comes to defending the people of Darfur.

Africa can benefit from Chinese investment, but China's increasingly important role on the continent also carries responsibilities. As the 2008 summer Olympics in Beijing approach, China is keen to be perceived as a key player on the world stage, but that means it needs to play by the rules. According to a recent Amnesty International report, China is, and I quote ''allowing ongoing flows of arms to parties to Sudan that are diverted for the conflict in Darfur and used there and across the border in Chad to commit grave violations of international law.'' This is, I note, also in violation of the U.N. arms embargo.

Recently, China has begun to play a more constructive role in Sudan, by offering to contribute an engineering unit to the U.N.-led peacekeeping force that awaits admission into Darfur and by appointing a special representative to Africa who will focus specifically on the Darfur issue. These are notable, and welcomed developments, but they are not sufficient. We need to see a substantial policy shift in China's relationship with Khartoum that is reflected in both their public and their private efforts. China must send an unequivocal message that the relentless violence is unacceptable—and it must do so by working collaboratively and constructively with the rest of the international community to ensure a consistent message.

The resolution introduced today urges China to be more constructive, consistent, and collaborative in its policy towards Sudan. It is our hope that through political messages like this resolution, diplomatic communication through formal and informal channels, and economic signals sent by the divestment campaign, China will be persuaded to take advantage of the unique opportunity it possesses to change the political calculus of the government in Khartoum so that the equation results in peace for the people of Darfur.

IBM CELEBRATION

Mr. LEAHY. Mr. President, today I proudly tell my friends in the Senate about an impressive milestone in the history of Vermont business. This winter marked 50 years since IBM President Tom Watson Jr. opened a manufacturing plant in Essex Junction. Today, IBM is Vermont's largest private employer and one of the foundations to a growing technology sector throughout our State.

Many events have and will be planned to celebrate the many achievements IBM and its workforce have made in the Green Mountain State. Most recently, Vermont Business Magazine ran a collection of news pieces and special features in its April 2007 issue about IBM's history in Vermont.

I ask unanimous consent that an oped I wrote recognizing the successes that IBM and Vermont have enjoyed during the past 50 years be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From Vermont Business Magazine, Apr. 2007]

IBM'S 50 YEARS OF INNOVATION AND EVOLUTION

(By Senator Patrick Leahy)

In 1957, then IBM President Tom Watson Jr. selected Vermont's Essex Junction to

build one of his company's key manufacturing facilities. Five decades later, the technology and family of employees at IBM Essex have come to define Northern Vermont as much as the snowy winters, short summers and Yankee ingenuity that lured Tom Watson to the Green Mountains in the first place.

The Essex Junction plant has been an integral part of IBM's global strategy since its inception. In what has to be considered an incredible ''run,'' IBM Essex has been a worldwide leader in the development, design and manufacture of semiconductor technology for the past 50 years. That is quite an achievement in the cyclical and volatile semiconductor industry and a testament to the tens of thousands of Vermonters—and newly minted Vermonters—who have worked tirelessly to maintain this world-class status for the past five decades. That has meant adroitly adopting strategies and new manufacturing processes over the years. The plant has transformed itself from a general semiconductor manufacturing facility to a high-end specialty logic semiconductor manufacturing facility. This growth—and this change—was possible with the vision and dedication of the designers, engineers, inventors and technicians who work along the banks of the Winooski River.

IBM, its partners and clients have literally and figuratively altered the economy of Chittenden County and Vermont for generations to come. From software companies big and small, to cutting-edge nano-technology engineering firms, the businesses attracted to IBM and the companies started by former IBM employees have created high-paying jobs and a culture of innovation that are envied across the New England region.

During my 30 years representing Vermont in the United States Senate, I have worked frequently with IBM's corporate leadership, IBM's local leadership and many of the frontline employees. The federal government recognizes that IBM Essex is a national asset: a world class domestic production facility with the highest reputation for ingenuity and productivity and quality. That is why the Defense Advanced Research Project Agency (DARPA) invested millions in the mask house in Vermont. And that is why it made complete sense for the federal government to select Essex Junction as a ''Trusted Foundry'' to design and produce critical semiconductors resulting in orders as high as $600 million over the next decade.

The innovation at IBM Essex has played an important role in helping IBM lead the nation in patent creation for more than a decade. Last year alone, 360 patents came directly from the IBM Essex Junction facility—making it one of IBM's top five patent-producing facilities. The fostering and protection of intellectual property is important not only to Vermont but to the nation. During my tenure in the Senate I have made reforms of our patent laws a high priority and I'll continue to press that cause as the chairman of the Senate Judiciary Committee.

The technology sector has changed dramatically over the past five decades. That IBM Essex has successfully maintained world class leadership despite all of these changes is simply incredible. IBM Essex designs and manufactures microchips for some of the world's leading computer, communications and consumer products companies. Products and technology from IBM in Vermont have helped make computers and electronic products smaller, faster, cheaper and more reliable.

I would venture to say that Tom Watson's vision for IBM in Vermont has turned out to be a great success. On behalf of all Vermonters, I offer everyone who has made IBM Essex a success a heartfelt thank you, for job after job, done well. Congratulations on fifty years of innovation and prosperity.

TRIBUTE TO DETECTIVE KEVIN ORR

Mr. HATCH. Mr. President, I wish to pay tribute to a special man who died in the line of duty in Utah—Uintah County Sheriff's Detective Kevin Orr. His wife Holley and their four children, Tyler, Kaylee, Jessica, and Ashlee, were in Washington, DC this week to participate in a ceremony where Detective Orr's name was added to the National Peace Officers Memorial. The Orr family had the opportunity to join with other survivors of law enforcement officers to commemorate their loved ones' lives and sacrifices.

I had the pleasure of meeting with the Orr family as they were paying respects to him through his addition to the National Peace Officers Memorial. Many from his extended family visited with me in my office, including Kevin's parents, Eugene and Claudia Orr, and Holley's parents, Glen and Dixie Hartle. Extended family members who were also visiting included Eric Hartle, Lisa Howe, Julie Luceor, Jolynn Orr, Jeffrey Orr, Larry Orr, Damon Orr, and Jason Pazour. Their loss is tragic, but their unity as a family is unbreakable.

Detective Orr sustained fatal injuries in November 2006 when he joined in a search for a missing 25-year-old woman. The helicopter he was riding in hit an unmarked power line hanging across the Green River and plummeted to the ground. Sadly, Detective Orr lost his life early the next morning as a result of the injuries he sustained in the accident.

At the time of his death, Detective Orr had worked for the Uintah Sheriff's Department for 11 years and was known for his dedication and commitment to law enforcement and the people he served. In 1999 he was named Uintah County Deputy of the Year for the example he set and the work he performed. He spent several years working with people in the Drug Court, making a difference in the lives of many who passed through the program. One young woman who had been a participant in Drug Court stated that she owed her life to Kevin. He believed in people and wanted to see them succeed and become happier, more productive citizens.

I was touched by what retired Vernal police officer Robert Roth said about Kevin. He stated: ''He was the caliber of person that lived his life as an example to all of us . . . We traditionally think of gun battles or car chases, but it's about service. Some of us are willing to die for that cause and some of us have.''

When I met with Kevin's family this week, I was touched by their humble, courageous spirits and their commitment to the legacy he left behind as a valiant law enforcement officer. It reminded me of a quote I have always appreciated by an unknown source that says: ''You make a living by what you get, but you make a life by what you give.''

Mr. President, Officer Orr was willing to give it all to help others. He truly epitomized the ideals of sacrifice and service. I know that his family misses him and grieves for their loss, but I also know that they can find great peace and comfort from the example he left behind. He was a valiant, dedicated public servant and his influence will be felt by many generations.

ADDITIONAL STATEMENTS

RETIREMENT OF JAMES F. AHRENS

• Mr. BAUCUS. Mr. President, I wish to recognize the distinguished career of James F. Ahrens, who will soon retire as head of the Montana Hospital Association. Jim Ahrens has been a mainstay of Montana's health care community for over two decades, and I know that I speak for that community when I say that his presence as the head of MHA will be missed.

Jim Ahrens has served as president of MHA . . . An Association of Montana Health Care Providers, for nearly 21 years. Health care has changed a lot since the mid-1980s, in good ways and bad. Our scientists have developed remarkable new treatments. Yet, as ranks of the uninsured grow, many Americans can't take advantage of those treatments. We have prevented Medicare's trust fund from going broke. Yet the program still faces serious long-term fiscal challenges. We have enacted the most significant change Part D—in Medicare's history. Yet the new benefit has been marred by early administrative missteps.

As a key player in health care over the last two decades, I have relied on Jim to gain a better understanding of these ever-changing events. I have also come to know Jim as a close personal friend. When it comes to Jim, I don't have any 'and yets.' I can think of no better example than that than his work on the Critical Access Hospital program.

Back in the late 1980s, a citizens' task force came up with the idea of a limited service hospital for rural and frontier areas. This new type of hospital would provide access to primary care in the most remote stretches of the country, while receiving a break from the strict regulatory requirements governing hospitals and health facilities. The Montana Legislature took the recommendations for this new type of facility and created a special licensure category.

As incoming leader of MHA, Jim's job was to bring the concept to life. Having just moved from Chicago to run the Montana Hospital Association, he hit the ground running. Jim worked with the Montana Department of Public Health and Human Services to develop a demonstration project for this

new type of facility. He and I then worked with the Federal Department of Health and Human Services' regional office in Denver to establish a demonstration project and secure a Federal grant to fund it.

This demonstration project—the Medical Assistance Facility Project—was hugely successful and served as the model for the Critical Access Hospital Program that I authored in 1997. Today, more than 1,300 hospitals around the Nation enjoy CAH status, ensuring access to high-quality medical treatment in some of the most remote parts of our land.

I am very proud to have written that bill and to have made changes to improve the CAH program since then. I am just as proud to have worked with Jim in the process. With over 45 CAHs operating in Montana, the idea of a limited-service rural hospital has moved from concept to the mainstream. I have no doubt that the CAH Program has kept a number of Montana hospitals from closing. And when you are dealing with Montana-sized distances in health care, that can mean the difference between life and death.

Through it all, Jim has been a mainstay. Always patient and kind but always thinking ahead, his innovative style and vision have brought people together for a healthier Montana. He changed MHA . . . from a collection of hospitals to MHA . . . An Association of Montana Health Care Providers—a united group of hospitals, nursing homes, home health organizations, hospices, and physicians. He applied the same philosophy to form the Alliance for a Healthy Montana—a coalition of more than 25 health care organizations. The Alliance is now an effective and cohesive voice for health care change in Montana and came about almost solely because of Jim's efforts. Over the past 8 years, the Alliance has spearheaded three ballot initiatives, including one that reformed Montana's tobacco tax rate and two others that earmarked national tobacco settlement funds to pay for health care programs in Montana.

It makes sense that Jim would take the consensus approach that he did, working to build a coalition from a group constituencies that weren't obvious allies. After all, Jim has spent his entire career as an executive in health care associations. He understood—and showed by example—the powerful role associations can play in representing members' needs before Congress, legislatures, regulatory agencies, and private organizations.

As I said, Jim has been a trusted adviser to me throughout the last two decades. I have come to trust his perspective, judgment, and knowledge on health issues great and small. I have also benefited from Jim's friendship. He is a gracious, compassionate, and generous person—the kind of guy people like to be around. And while the people of MHA will miss having Jim around, I know that his family and friends look forward to seeing a bit more of this exceptional individual. Jim's transition will be complete on June 30, when he makes his retirement official. On behalf of a healthier Montana, we wish Jim Ahrens well.●

EMS WEEK

● Mr. BINGAMAN. Mr. President, I wish to pay tribute to the men and women throughout my home State of New Mexico who provide lifesaving emergency medical services, EMS, and to commemorate EMS Week.

During my time in the Senate, I have come to understand the necessity of a highly trained EMS team. Such teams provide lifesaving care to those who are in need, 24 hours a day, 7 days a week.

An important example of such care is provided to the people of Northern Rio Arriba County by the highly dedicated members of La Clinica EMS, which consists of:

Joseph Baca, Paramedic; Phyllis Richards, Paramedic; Wenona Garcia, EMT–1; Rose Rash, EMT–1; Sarah Johnson, EMT–1; Paul Lisco, EMT–1; J.R. Gallegos, EMT–B; James Holiday, EMT–B; Tomas Casados, EMT–B; Stella Martinez, EMT–B; Kathy Morrison, EMT–B; Dave Morrison, EMT–B; Laurel Baker, EMT–B; Ramona Hays, EMT–B; Michael Hays, EMT–B; Emery Baca, EMT–B; B.J. Samora, FR; Josie Maestas, FR; and Marty Madrid, FR.

I am proud to join the citizens of New Mexico in expressing my sincere gratitude to EMS professionals and their unwavering dedication to the community.●

NEW MEXICO PECAN GROWERS

● Mr. DOMENICI. Mr. President, I would like to congratulate the pecan growers of New Mexico for being No. 1 in the Nation in pecan production. This is the first time New Mexico has claimed this title.

The recently released preliminary numbers from last year indicate that New Mexico growers produced 46 million pounds of pecans valued at $86.1 million. This is 6 million more pounds of pecans than second-ranked Georgia and 10 million more pounds than third-ranked Texas. This is quite an achievement given the size of the pecan industry in both Georgia and Texas.

I am proud of New Mexico's pecan growers and their hard work. I am sure this will not be the last time they take this title, and I wish them luck this season.●

MESSAGE FROM THE PRESIDENT

The following message from the President of the United States was transmitted to the Senate by one of his secretaries:

REPORT RELATIVE TO THE CONTINUATION OF THE NATIONAL EMERGENCY WITH RESPECT TO BURMA—PM 14

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. I have sent the enclosed notice to the *Federal Register* for publication, stating that the Burma emergency is to continue beyond May 20, 2007.

The crisis between the United States and Burma arising from the actions and policies of the Government of Burma, including its policies of committing large-scale repression of the democratic opposition in Burma, that led to the declaration of a national emergency on May 20, 1997, has not been resolved. These actions and policies are hostile to U.S. interests and pose a continuing unusual and extraordinary threat to the national security and foreign policy of the United States. For this reason, I have determined that it is necessary to continue the national emergency and maintain in force the sanctions against Burma to respond to this threat.

GEORGE W. BUSH,
THE WHITE HOUSE, *May 17, 2007*.

MESSAGE FROM THE HOUSE

At 4:03 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the resolution (S. Con. Res. 21) setting forth the congressional budget for the United States Government for fiscal year 2008 and including the appropriate budgetary levels for fiscal years 2007 and 2009 through 2012.

MEASURES PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

S. 1419. A bill to move the United States toward greater energy independence and security, to increase the production of clean renewable fuels, to protect consumers from price gouging, to increase the energy efficiency of products, buildings and vehicles, to promote research on and deploy greenhouse gas capture and storage options, and to improve the energy performance of the Federal Government, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC–1958. A communication from the Assistant Secretary, Office of Legislative Affairs, Department of State, transmitting, pursuant to law, the certification of a proposed amendment to a manufacturing license agreement for the manufacture of defense articles in Turkey in the amount of $100,000,000 or more; to the Committee on Foreign Relations.

EC–1959. A communication from the Assistant Secretary, Office of Legislative Affairs, Department of State, transmitting, pursuant to law, the determination of five countries that are not cooperating fully with U.S. antiterrorism efforts; to the Committee on Foreign Relations.

EC–1960. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, the report of payment-in-kind compensation negotiated with the United Kingdom for the return of U.S.-funded housing and improvements in Bentwaters, Bishop's Green, Blackbushe, Burtonwood, Caversfield, Chicksands, Clayhill, Greenham Common, Sculthorpe, Upper Heyford, Welford, and Woodbridge; to the Committee on Armed Services.

EC–1961. A communication from the Director, Office of Administration and Management, Department of Defense, transmitting, pursuant to law, a report certifying that the cost of Wedges 2 through 5 of the Pentagon Renovation will be within the specified limitation; to the Committee on Armed Services.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–95. A resolution adopted by the House of Representatives of the State of New Hampshire supporting the U.S. Mayors Climate Protection Agreement; to the Committee on Energy and Natural Resources.

HOUSE RESOLUTION NO. 9

Whereas, the people of New Hampshire value clean air and water, and prioritize natural resources protection for economic growth, and better health, and quality of life for our citizens;

Whereas, the governor of New Hampshire has declared in executive order number 2005–4 that New Hampshire will lead-by-example in energy efficiency to protect public health, future economic growth, our environment, quality of life, and taxpayer dollars; and

Whereas, the use of energy for electricity, heating, cooling, and transportation has a significant effect on public health and the environment, contributing to such problems as ground-level ozone, acid rain, eutrophication of water bodies, soot, haze, mercury contamination, and climate change; and

Whereas, 5 New Hampshire cities, Dover, Keene, Manchester, Nashua, and Portsmouth, and many cities across the United States, have signed onto the U.S. Mayors Climate Protection Agreement and have reduced global warming pollution through programs that provide economic and quality of life benefits such as reduced energy bills, green space preservation, air quality improvements, reduced traffic congestion, improved transportation choices, economic development, and job creation through energy conservation and new energy technologies, and have recognized that energy efficiency and conservation will save taxpayer money; and

Whereas, rural communities and agriculture sectors will benefit from energy efficiency and conservation and the development of a broad spectrum of renewable energy sources including wind power, biodiesel, biomass, methane digesters, and solar, including establishing additional markets for agricultural commodities, creating new uses for crops, livestock, and their byproducts, more productive use of marginal lands, improving wildlife habitat, and providing new employment opportunities; and

Whereas, significant reduction in New Hampshire's greenhouse gas emissions, diversification of in-state energy sources, and collaboration with other northeastern states will have a measurable effect on global warming and New Hampshire will lead the region with sustainable economic growth, the next generation of new technology, and dynamic job creation; and

Whereas, producing 25 percent of New Hampshire's energy demand from renewable sources by the year 2025 is realistic and presents numerous benefits for the state's communities, diversifies the business sector, protects the environment and public health, and promotes national security; now, therefore, be it

Resolved by the House of Representatives: That the New Hampshire house of representatives supports the vision of a ''25 by 25'' goal, whereby renewable energy will provide 25 percent of the total energy consumed in New Hampshire by the year 2025; and

That the New Hampshire house of representatives supports incentives to consumers to increase energy efficiency and conservation; and

That the New Hampshire house of representatives agrees that smart energy measures, like anti-idling policies, expanding public transportation choices, and appropriate vehicle selection for state agency uses, will help reduce air pollution and global warming gases; and

That copies of this resolution, signed by the speaker of the house of representatives be forwarded by the house clerk to the governor of New Hampshire, the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the New Hampshire congressional delegation.

POM–96. A resolution adopted by the House of Representatives of the State of New Hampshire urging Congress to take actions relative to veterans' benefits and the war in Iraq; to the Committee on Foreign Relations.

HOUSE RESOLUTION NO. 10

Whereas, in the history of military campaigns for over 2 centuries beginning with the Revolutionary War, the people of the United States of America have engaged in military and diplomatic initiatives to gain and preserve freedom for all people; and

Whereas, the citizens of the state of New Hampshire strongly support the men and women serving in the United States Armed Forces in Iraq, Afghanistan, and arenas known and not yet known; and

Whereas, over 3,000 American military personnel, including 17 from New Hampshire, have died since March of 2003 in the hostilities in Iraq, and tens of thousands have returned home with significant unmet physical and other health care needs; and

Whereas, the citizens of the state of New Hampshire recognize, appreciate, and are forever thankful for the sacrifices that all of our American and New Hampshire soldiers have made, especially those who have given their lives or been wounded in previous and current battles to protect our freedoms; and

Whereas, the unknown time line of the war in Iraq has stretched thin our National Guard and Reserves, including the New Hampshire national guard, and created a severe equipment shortage, thereby reducing the readiness level of our National Guard to fully meet its missions of responding to natural disasters, terrorism, and protecting us at home; and

Whereas, the New Hampshire house of representatives has an obligation to speak out on matters which affect the people of our state, and the ability of our government to protect us at home; now, therefore, be it

Resolved by the House of Representatives: That the New Hampshire house of representatives and the American people will continue to support and protect the members of the United States Armed Forces and the New Hampshire national guard who are serving or who have served bravely and honorably in Iraq and elsewhere; and

That the New Hampshire house of representatives disapproves of the decision of President George W. Bush, announced on January 10, 2007, to deploy more than 20,000 additional United States combat troops to Iraq; and

That the New Hampshire house of representatives calls on the Bush Administration and Congress to fund fully all benefits for veterans to appropriately care for our brave men and women when they return from this war and other combat; and

That the New Hampshire house of representatives urges the President and Congress to commence talks with the neighbors in the Middle East and begin the orderly withdrawal of American military forces from Iraq; and

That the clerk of the New Hampshire house of representatives send copies of this resolution to governor John Lynch, the president and minority leader of the New Hampshire state senate, the President of the United States, the United States Secretary of Defense, the United States Secretary of State, the President of the United States Senate, the Speaker of the United States House of Representatives, and the New Hampshire congressional delegation.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DODD, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

H.R. 1675. A bill to suspend the requirements of the Department of Housing and Urban Development regarding electronic filing of previous participation certificates and regarding filing of such certificates with respect to certain low-income housing investors.

H.R. 1676. A bill to reauthorize the program of the Secretary of Housing and Urban Development for loan guarantees for Indian housing.

By Mr. LEAHY, from the Committee on the Judiciary, without amendment and with a preamble:

S. Res. 130. A resolution designating July 28, 2007, as ''National Day of the American Cowboy''.

S. Res. 132. A resolution recognizing the Civil Air Patrol for 65 years of service to the United States.

S. Res. 138. A resolution honoring the accomplishments and legacy of Cesar Estrada Chavez.

By Mr. DODD, from the Committee on Banking, Housing, and Urban Affairs, with an amendment:

S. 254. A bill to award posthumously a Congressional gold medal to Constantino Brumidi.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mrs. FEINSTEIN:

S. 1417. A bill to direct the Secretary of Veterans Affairs to submit a report to Congress providing a master plan for the use of the West Los Angeles Department of Veterans Affairs Medical Center, California, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. DODD (for himself, Mr. BROWN, Mr. SMITH, and Mr. LEAHY):

S. 1418. A bill to provide assistance to improve the health of newborns, children, and mothers in developing countries, and for other purposes; to the Committee on Foreign Relations.

By Mr. REID:

S. 1419. A bill to move the United States toward greater energy independence and security, to increase the production of clean renewable fuels, to protect consumers from price gouging, to increase the energy efficiency of products, buildings and vehicles, to promote research on and deploy greenhouse gas capture and storage options, and to improve the energy performance of the Federal Government, and for other purposes; placed on the calendar.

By Mr. MENENDEZ (for himself and Mr. LAUTENBERG):

S. 1420. A bill to amend title XIX of the Social Security Act to require staff working with developmentally disabled individuals to call emergency services in the event of a life-threatening situation; to the Committee on Finance.

By Mr. AKAKA:

S. 1421. A bill to provide for the maintenance, management, and availability for research of assets of Air Force Health Study; to the Committee on Veterans' Affairs.

By Mr. LUGAR:

S. 1422. A bill to direct the Secretary of Agriculture to establish a program to provide to agricultural operators and producers a reserve to assist in the stabilization of farm income during low-revenue years, to assist operators and producers to invest in value-added farms, to promote higher levels of environmental stewardship, and for other purposes; to the Committee on Finance.

By Mr. ROBERTS (for himself and Mr. BROWNBACK):

S. 1423. A bill to extend tax relief to the residents and businesses of an area with respect to which a major disaster has been declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (FEMA-1699-DR) by reason of severe storms and tornados beginning on May 4, 2007, and determined by the President to warrant individual or public assistance from the Federal Government under such Act; to the Committee on Finance.

By Mr. SCHUMER (for himself, Mr. LIEBERMAN, Mr. KERRY, and Mr. KENNEDY):

S. 1424. A bill to provide for the continuation of agricultural programs through fiscal year 2013, and for other purposes; to the Committee on Finance.

By Mr. PRYOR (for himself, Ms. COLLINS, and Mr. WARNER):

S. 1425. A bill to enhance the defense nanotechnology research and development program; to the Committee on Armed Services.

By Mrs. BOXER (for herself and Mr. DURBIN):

S. 1426. A bill to amend the Agricultural Trade Act of 1978 to reauthorize the market access program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mrs. CLINTON (for herself, Mrs. BOXER, Ms. MIKULSKI, Mr. LAUTENBERG, Mr. LEAHY, Ms. LANDRIEU, and Mr. AKAKA):

S. 1427. A bill to establish the Federal Emergency Management Agency as an independent agency, and for other purposes; to the Committee on Homeland Security and Governmental Affairs.

By Mr. HATCH (for himself and Mr. CONRAD):

S. 1428. A bill to amend part B of title XVIII of the Social Security Act to assure access to durable medical equipment under the Medicare program; to the Committee on Finance.

By Mr. INHOFE (for himself, Mr. ISAKSON, Mr. CRAIG, Mr. THOMAS, and Mr. WARNER):

S. 1429. A bill to amend the Safe Drinking Water Act to reauthorize the provision of technical assistance to small public water systems; to the Committee on Environment and Public Works.

By Mr. OBAMA (for himself and Mr. BROWNBACK):

S. 1430. A bill to authorize State and local governments to direct divestiture from, and prevent investment in, companies with investments of $20,000,000 or more in Iran's energy sector, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BROWN (for himself and Mr. VOINOVICH):

S. 1431. A bill to provide for a statewide early childhood education professional development and career system, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. BROWN (for himself, Mrs. CLINTON, Mr. KERRY, Mr. SANDERS, and Mr. REED):

S. 1432. A bill to amend the Food Stamp Act of 1977 and the Richard B . Russell National School Lunch Act to improve access to healthy foods, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. CORNYN (for himself and Mr. ALLARD):

S. Res. 206. A resolution to provide for a budget point of order against legislation that increases income taxes on taxpayers, including hardworking middle-income families, entrepreneurs, and college students; to the Committee on Rules and Administration.

By Mr. DODD:

S. Res. 207. A resolution calling on the President of the United States immediately to recommend new candidates for the positions of the Attorney General of the United States and the President of the International Bank for Reconstruction and Development (commonly known as the ''World Bank'') in order to preserve the integrity and the efficacy of the Department of Justice and the World Bank; to the Committee on the Judiciary.

By Mr. STEVENS (for himself, Mr. INOUYE, Mr. COCHRAN, Ms. CANTWELL, Ms. SNOWE, Mr. LOTT, Mrs. MURRAY, Ms. MURKOWSKI, Mrs. BOXER, Mr. SUNUNU, Ms. LANDRIEU, Ms. COLLINS, Mr. KERRY, Mr. LAUTENBERG, and Mr. VITTER):

S. Res. 208. A resolution encouraging the elimination of harmful fishing subsidies that contribute to overcapacity in the world's commercial fishing fleet and lead to the overfishing of global fish stocks; considered and agreed to.

By Mr. KENNEDY (for himself, Mr. DODD, Mr. BIDEN, Ms. COLLINS, Mr. KERRY, Mrs. CLINTON, Mr. LEAHY, Mr. MCCAIN, Mr. SCHUMER, Mr. SMITH, and Mr. OBAMA):

S. Res. 209. A resolution expressing support for the new power-sharing government in Northern Ireland; considered and agreed to.

By Mr. LIEBERMAN (for himself, Mr. ENZI, and Mr. INOUYE):

S. Res. 210. A resolution honoring the accomplishments of Stephen Joel Trachtenberg as president of the George Washington University in Washington, D.C., in recognition of his upcoming retirement in July 2007; to the Committee on the Judiciary.

ADDITIONAL COSPONSORS

S. 254

At the request of Mr. ENZI, the names of the Senator from Connecticut (Mr. DODD) and the Senator from Alabama (Mr. SHELBY) were added as cosponsors of S. 254, a bill to award posthumously a Congressional gold medal to Constantino Brumidi.

S. 294

At the request of Mr. LAUTENBERG, the name of the Senator from Virginia (Mr. WEBB) was added as a cosponsor of S. 294, a bill to reauthorize Amtrak, and for other purposes.

S. 326

At the request of Mrs. LINCOLN, the name of the Senator from Maryland (Mr. CARDIN) was added as a cosponsor of S. 326, a bill to amend the Internal Revenue Code of 1986 to provide a special period of limitation when uniformed services retirement pay is reduced as result of award of disability compensation.

S. 368

At the request of Mr. BIDEN, the names of the Senator from Pennsylvania (Mr. CASEY) and the Senator from New Mexico (Mr. BINGAMAN) were added as cosponsors of S. 368, a bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to enhance the COPS ON THE BEAT grant program, and for other purposes.

S. 383

At the request of Mr. AKAKA, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 383, a bill to amend title 38, United States Code, to extend the period of eligibility for health care for combat service in the Persian Gulf War or future hostilities from two years to five years after discharge or release.

S. 399

At the request of Mr. BUNNING, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 399, a bill to amend title

XIX of the Social Security Act to include podiatrists as physicians for purposes of covering physicians services under the Medicaid program.

S. 465

At the request of Mr. NELSON of Florida, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 465, a bill to amend titles XVIII and XIX of the Social Security Act and title III of the Public Health Service Act to improve access to information about individuals' health care options and legal rights for care near the end of life, to promote advance care planning and decision-making so that individuals' wishes are known should they become unable to speak for themselves, to engage health care providers in disseminating information about and assisting in the preparation of advance directives, which include living wills and durable powers of attorney for health care, and for other purposes.

S. 469

At the request of Mr. BAUCUS, the name of the Senator from North Carolina (Mrs. DOLE) was added as a cosponsor of S. 469, a bill to amend the Internal Revenue Code of 1986 to make permanent the special rule for contributions of qualified conservation contributions.

S. 506

At the request of Mr. LAUTENBERG, the name of the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 506, a bill to improve efficiency in the Federal Government through the use of high-performance green buildings, and for other purposes.

S. 543

At the request of Mr. NELSON of Nebraska, the name of the Senator from New Jersey (Mr. LAUTENBERG) was added as a cosponsor of S. 543, a bill to improve Medicare beneficiary access by extending the 60 percent compliance threshold used to determine whether a hospital or unit of a hospital is an inpatient rehabilitation facility under the Medicare program.

S. 557

At the request of Mr. SCHUMER, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 557, a bill to amend the Internal Revenue Code of 1986 to make permanent the depreciation classification of motorsports entertainment complexes.

S. 579

At the request of Mr. REID, the name of the Senator from Virginia (Mr. WEBB) was added as a cosponsor of S. 579, a bill to amend the Public Health Service Act to authorize the Director of the National Institute of Environmental Health Sciences to make grants for the development and operation of research centers regarding environmental factors that may be related to the etiology of breast cancer.

S. 600

At the request of Mr. SMITH, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 600, a bill to amend the Public Health Service Act to establish the School-Based Health Clinic program, and for other purposes.

S. 638

At the request of Mr. ROBERTS, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 638, a bill to amend the Internal Revenue Code of 1986 to provide for collegiate housing and infrastructure grants.

S. 661

At the request of Mrs. CLINTON, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. 661, a bill to establish kinship navigator programs, to establish guardianship assistance payments for children, and for other purposes.

S. 718

At the request of Mr. DURBIN, the name of the Senator from Ohio (Mr. BROWN) was added as a cosponsor of S. 718, a bill to optimize the delivery of critical care medicine and expand the critical care workforce.

S. 749

At the request of Mr. NELSON of Florida, the name of the Senator from New Jersey (Mr. LAUTENBERG) was added as a cosponsor of S. 749, a bill to modify the prohibition on recognition by United States courts of certain rights relating to certain marks, trade names, or commercial names.

S. 777

At the request of Mr. CRAIG, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 777, a bill to repeal the imposition of withholding on certain payments made to vendors by government entities.

S. 799

At the request of Mr. HARKIN, the names of the Senator from Ohio (Mr. BROWN) and the Senator from New Jersey (Mr. LAUTENBERG) were added as cosponsors of S. 799, a bill to amend title XIX of the Social Security Act to provide individuals with disabilities and older Americans with equal access to community-based attendant services and supports, and for other purposes.

S. 807

At the request of Mrs. LINCOLN, the name of the Senator from Wyoming (Mr. ENZI) was added as a cosponsor of S. 807, a bill to amend the Comprehensive Environmental Response Compensation and Liability Act of 1980 to provide that manure shall not be considered to be a hazardous substance, pollutant, or contaminant.

S. 822

At the request of Ms. SNOWE, the names of the Senator from Georgia (Mr. ISAKSON), the Senator from Washington (Ms. CANTWELL) and the Senator from Connecticut (Mr. LIEBERMAN) were added as cosponsors of S. 822, a bill to amend the Internal Revenue Code of 1986 to improve and extend certain energy-related tax provisions, and for other purposes.

S. 901

At the request of Mr. KENNEDY, the name of the Senator from South Dakota (Mr. THUNE) was added as a cosponsor of S. 901, a bill to amend the Public Health Service Act to provide additional authorizations of appropriations for the health centers program under section 330 of such Act.

S. 982

At the request of Mrs. CLINTON, the names of the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Ohio (Mr. BROWN) were added as cosponsors of S. 982, a bill to amend the Public Health Service Act to provide for integration of mental health services and mental health treatment outreach teams, and for other purposes.

S. 1019

At the request of Mr. COBURN, the name of the Senator from Tennessee (Mr. ALEXANDER) was added as a cosponsor of S. 1019, a bill to provide comprehensive reform of the health care system of the United States, and for other purposes.

S. 1026

At the request of Mr. CHAMBLISS, the name of the Senator from Minnesota (Mr. COLEMAN) was added as a cosponsor of S. 1026, a bill to designate the Department of Veterans Affairs Medical Center in Augusta, Georgia, as the ''Charlie Norwood Department of Veterans Affairs Medical Center''.

S. 1042

At the request of Mr. ENZI, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 1042, a bill to amend the Public Health Service Act to make the provision of technical services for medical imaging examinations and radiation therapy treatments safer, more accurate, and less costly.

S. 1065

At the request of Mrs. CLINTON, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 1065, a bill to improve the diagnosis and treatment of traumatic brain injury in members and former members of the Armed Forces, to review and expand telehealth and telemental health programs of the Department of Defense and the Department of Veterans Affairs, and for other purposes.

S. 1070

At the request of Mr. HATCH, the name of the Senator from Ohio (Mr. BROWN) was added as a cosponsor of S. 1070, a bill to amend the Social Security Act to enhance the social security of the Nation by ensuring adequate public-private infrastructure and to resolve to prevent, detect, treat, intervene in, and prosecute elder abuse, neglect, and exploitation, and for other purposes.

S. 1175

At the request of Mr. BROWNBACK, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1175, a bill to end the use of

child soldiers in hostilities around the world, and for other purposes.

S. 1226

At the request of Mr. BAYH, the name of the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 1226, a bill to amend title XIX of the Social Security Act to establish programs to improve the quality, performance, and delivery of pediatric care.

S. 1254

At the request of Ms. MIKULSKI, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 1254, a bill to amend title II of the Social Security Act to provide that the reductions in social security benefits which are required in the case of spouses and surviving spouses who are also receiving certain government pensions shall be equal to the amount by which two-thirds of the total amount of the combined monthly benefit (before reduction) and monthly pension exceeds $1,200, adjusted for inflation.

S. 1263

At the request of Ms. CANTWELL, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of S. 1263, a bill to protect the welfare of consumers by prohibiting price gouging with respect to gasoline and petroleum distillates during natural disasters and abnormal market disruptions, and for other purposes.

S. 1277

At the request of Mr. NELSON of Nebraska, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 1277, a bill to amend title XVIII of the Social Security Act to clarify the treatment of payment under the Medicare program for clinical laboratory tests furnished by critical access hospitals.

S. 1312

At the request of Mr. DEMINT, the name of the Senator from South Dakota (Mr. THUNE) was added as a cosponsor of S. 1312, a bill to amend the National Labor Relations Act to ensure the right of employees to a secret-ballot election conducted by the National Labor Relations Board.

S. 1359

At the request of Mrs. MURRAY, the name of the Senator from Michigan (Ms. STABENOW) was added as a cosponsor of S. 1359, a bill to amend the Public Health Service Act to enhance public and health professional awareness and understanding of lupus and to strengthen the Nation's research efforts to identify the causes and cure of lupus.

S. 1379

At the request of Mrs. FEINSTEIN, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. 1379, a bill to amend chapter 35 of title 28, United States Code, to strike the exception to the residency requirements for United States attorneys.

S. 1382

At the request of Mr. REID, the names of the Senator from Iowa (Mr. HARKIN), the Senator from Ohio (Mr. BROWN) and the Senator from Georgia (Mr. ISAKSON) were added as cosponsors of S. 1382, a bill to amend the Public Health Service Act to provide the establishment of an Amyotrophic Lateral Sclerosis Registry.

S. 1398

At the request of Mr. REID, the name of the Senator from Ohio (Mr. BROWN) was added as a cosponsor of S. 1398, a bill to expand the research and prevention activities of the National Institute of Diabetes and Digestive and Kidney Diseases, and the Centers for Disease Control and Prevention with respect to inflammatory bowel disease.

S. 1411

At the request of Mr. LAUTENBERG, the name of the Senator from Vermont (Mr. SANDERS) was added as a cosponsor of S. 1411, a bill to amend the Clean Air Act to establish within the Environmental Protection Agency an office to measure and report on greenhouse gas emissions of Federal agencies.

S. 1412

At the request of Mr. HARKIN, the names of the Senator from Iowa (Mr. GRASSLEY), the Senator from Montana (Mr. BAUCUS) and the Senator from Ohio (Mr. BROWN) were added as cosponsors of S. 1412, a bill to amend the Farm Security and Rural Development Act of 2002 to support beginning farmers and ranchers, and for other purposes.

S. 1413

At the request of Ms. MIKULSKI, the names of the Senator from California (Mrs. FEINSTEIN) and the Senator from Michigan (Ms. STABENOW) were added as cosponsors of S. 1413, a bill to provide for research and education with respect to uterine fibroids, and for other purposes.

S. RES. 82

At the request of Mr. HAGEL, the names of the Senator from Alabama (Mr. SHELBY), the Senator from Alabama (Mr. SESSIONS) and the Senator from California (Mrs. FEINSTEIN) were added as cosponsors of S. Res. 82, a resolution designating August 16, 2007 as ''National Airborne Day''.

S. RES. 116

At the request of Mr. BIDEN, the name of the Senator from Ohio (Mr. BROWN) was added as a cosponsor of S. Res. 116, a resolution designating May 2007 as ''National Autoimmune Diseases Awareness Month'' and supporting efforts to increase awareness of autoimmune diseases and increase funding for autoimmune disease research.

S. RES. 132

At the request of Mr. CARDIN, his name was added as a cosponsor of S. Res. 132, a resolution recognizing the Civil Air Patrol for 65 years of service to the United States.

S. RES. 171

At the request of Ms. COLLINS, the name of the Senator from Illinois (Mr. OBAMA) was added as a cosponsor of S. Res. 171, a resolution memorializing fallen firefighters by lowering the United States flag to half-staff on the day of the National Fallen Firefighter Memorial Service in Emmitsburg, Maryland.

S. RES. 198

At the request of Mr. GRAHAM, the names of the Senator from North Dakota (Mr. CONRAD) and the Senator from North Dakota (Mr. DORGAN) were added as cosponsors of S. Res. 198, a resolution designating May 15, 2007, as ''National MPS Awareness Day''.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. FEINSTEIN:

S. 1417. A bill to direct the Secretary of Veterans Affairs to submit a report to Congress providing a master plan for the use of the West Los Angeles Department of Veterans Affairs Medical Center, California, and for other purposes; to the Committee on Veterans' Affairs.

Mrs. FEINSTEIN. Mr. President, I rise today to introduce legislation to maintain the land on the West Los Angeles Veterans Affairs Medical Center campus for the exclusive use of America's Veterans.

This legislation is a companion to an identical bill introduced by Congressman Waxman in the House earlier this month.

The bill would:

Prohibit the Department of Veterans Affairs, VA, from issuing enhanced-use lease agreements on the West Los Angeles VA property; expand the scope of the Cranston Act, which already prohibits the disposal of land and the use of enhanced-use leases on 109 acres, to cover the entire 388-acre West Los Angeles VA property; prohibit the VA from exchanging, trading, auctioning or transferring any land connected to the West Los Angeles VA; require that a master plan related to the West Los Angeles VA property be completed no later than 1 year after this legislation is enacted; prohibit the VA from receiving funding to enact the provisions of a master plan for the West Los Angeles VA without first receiving Congressional authorization; and establish a public advisory committee, consisting of federally elected representatives, local elected officials, local Veterans, and community members to provide input on the master plan.

The bill I am introducing today is absolutely essential in light of a number of unacceptable actions previously taken by the VA that, in my view, violate the spirit, if not the letter, of the law.

In March, I joined with my colleagues Senator BARBARA BOXER and Congressman HENRY WAXMAN in writing a letter to VA Secretary James Nicholson, strongly objecting to recent decisions made by the VA relating to the West Los Angeles VA facility and land.

For example, the VA has signed sharing agreements to allow an Enterprise-

Rent-A-Car facility to operate on the VA land. The VA also continues to film on the property and recently allowed Fox Studios to construct a set storage building there.

In 1996, a 65,000-seat NFL Football stadium was proposed for the open space on the West Los Angeles VA land until Congress passed a resolution to prohibit this action.

This legislation also ensures that the VA never issues an enhanced-use lease agreement on the West Los Angeles VA property that would have little or nothing to do with direct veterans services.

The VA now has a number of other effective tools at its disposal to provide services directly to veterans, including sharing agreements and existing legislation to address homeless veterans' needs.

If the VA is already exceeding the scope of its sharing agreements, it is likely to also pursue enhanced-use leases for developing the property. Enhanced-use leases are disposal tools and should not be permitted on the West Los Angeles VA land, as the community and local veterans overwhelmingly oppose them.

Notably, Congress mandated that the VA create a Land Use master plan for the entire West Los Angeles Veterans' property in 1998, Public Law 105–368.

Last year, the Senate approved language in the fiscal year 2007 MILCON/VA Appropriations bill that required the VA to provide the Appropriations Committees a report on the master plan for the West Los Angeles VA Medical Center and connected land.

The fiscal year 2007 MILCON/VA Appropriations Act passed the Senate on November 18, 2006.

Unfortunately, all but 2 of the 11 Appropriations bills, including MILCON/VA, were ultimately packaged together in a continuing resolution for fiscal year 2007, and the language was never considered by the full Congress.

For too long, commercial interests have trumped the needs of our Veterans.

These 388 acres of land were donated to the Government in 1888 specifically for serving and supporting our Nation's veterans and I strongly believe they should remain that way.

This bill would make sure that this happens.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1417

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''West Los Angeles Department of Veterans Affairs Medical Center Preservation Act of 2007''.

SEC. 2. PROHIBITION ON DISPOSAL OF DEPARTMENT OF VETERANS AFFAIRS LANDS AND IMPROVEMENTS AT WEST LOS ANGELES MEDICAL CENTER, CALIFORNIA.

(a) IN GENERAL.—The Secretary of Veterans Affairs may not declare as excess to the needs of the Department of Veterans Affairs, or otherwise take any action to exchange, trade, auction, transfer, or otherwise dispose of, or reduce the acreage of, Federal land and improvements at the Department of Veterans Affairs West Los Angeles Medical Center, California, encompassing approximately 388 acres on the north and south sides of Wilshire Boulevard and west of the 405 Freeway.

(b) SPECIAL PROVISION REGARDING LEASE WITH REPRESENTATIVE OF THE HOMELESS.—Notwithstanding any provision of this Act, Section 7 of the Homeless Veterans Comprehensive Services Act of 1992 (Public Law 102–590) shall remain in effect.

(c) CONFORMING AMENDMENT.—Section 8162(c)(1) of title 38, United States Code, is amended by inserting ''or section 2(a) of the West Los Angeles Department of Veterans Affairs Medical Center Preservation Act of 2007'' after ''section 421 (b)(2) of the Veterans' Benefits and Services Act of 1988 (Public Law 100–322; 102 Stat. 553)''.

SEC. 3. MASTER PLAN REGARDING USE OF DEPARTMENT OF VETERANS AFFAIRS LANDS AT WEST LOS ANGELES MEDICAL CENTER, CALIFORNIA.

(a) FINDING.—Congress finds that section 707 of the Veterans Programs Enhancement Act of 1998 (Public Law 105–368) required the Secretary of Veterans Affairs to submit to Congress a report on the master plan of the Department of Veterans Affairs, or a plan for the development of such a master plan, relating to the use of Department land at the West Los Angeles Department of Veterans Affairs Medical Center, California.

(b) MASTER PLAN REQUIRED.—Not later than one year after the date of the enactment of this Act, the Secretary shall submit to the appropriate congressional committees a report providing a master plan, consistent with the provisions of this Act, for the use of the Federal land and improvements described in section 2(a).

(c) ADVISORY COMMITTEE.—The Secretary shall appoint a committee to advise the Secretary in developing the master plan. The committee shall include representatives of State and local governments, veterans, veterans' service organizations, and community organizations. The committee shall be composed of 9 members, who shall be appointed by the Secretary, of whom two shall be appointed on the recommendation of the Member of Congress representing the 30th district of California, and two each shall be appointed on the recommendation of each of the Senators from California.

(d) LIMITATION ON FUNDING.—Except for direct veterans' services, no funding shall be available to implement the master plan except pursuant to provisions of law enacted after the date of the receipt by the appropriate congressional committees of the report providing such plan.

(e) DEFINITIONS.—In this section:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees'' means—

(A) the Committee on Veterans' Affairs and the Committee on Appropriations of the Senate; and

(B) the Committee on Veterans' Affairs and the Committee on Appropriations of the House of Representatives.

(2) DIRECT VETERANS' SERVICES.—The term ''direct veterans' services'' means services directly related to maintaining the health, welfare, and support of veterans.

By Mr. DODD (for himself, Mr. BROWN, Mr. SMITH, and Mr. LEAHY):

S. 1418. A bill to provide assistance to improve the health of newborns, children, and mothers in developing countries, and for other purposes; to the Committee on Foreign Relations.

Mr. DODD. Mr. President, I rise today to introduce, on behalf of myself and good friend, Senator GORDON SMITH, the United States Commitment to Global Child Survival Act of 2007.

This bill seeks to drastically reduce child and maternal mortality rates abroad. It is a goal entirely within our reach, relying on tools that are already within our grasp. We have the power to save millions of innocent lives; and there is no better measure for the success of our foreign aid.

The legislation would perform three simple yet vital functions. First, it would require the administration to develop and implement a strategy to improve the health of, and reduce mortality rates among, newborns, children, and mothers in developing countries.

Second, it would establish a task force to monitor and evaluate the progress of the relevant departments and agencies of our Government in meeting by 2015 the U.N. Millennium Development Goals related to reducing mortality rates for mothers and for children under 5.

Third, it would authorize appropriations for programs that improve the health of newborns, children, and mothers in developing countries. Specifically, it would increase funding for child survival programs from the current level of around $350 million to $600 million in fiscal year 2008, $900 million in fiscal year 2009, $1.2 billion in fiscal year 2010, and up to $1.6 billion in fiscal year 2011–2012.

I know that some of my colleagues will dispute the wisdom of such a large investment. None of them would deny this issue's importance; but some may question its priority. How can we answer them?

In a world of seemingly intractable problems, we have here an opportunity for quick and uncomplicated success. Each dollar we spend in this cause helps to save a vulnerable life.

And what is more, we have already given our word. As part of the Millennium Development Goals, the United States made an explicit commitment, along with 188 other countries, to reducing child and maternal mortality. But at current funding levels, we are set to renege on that promise by a wide margin.

On September 14, 2005, President Bush stated that the United States is ''committed to the Millennium Development Goals.'' I commend the President for his words, but they have not been matched with action.

As we reach the goals' halfway mark, the world's progress is distressingly slow. The leading medical journal The Lancet reports that, of the 60 countries accounting for 90 percent of child

deaths, ''only 7 are on track to meet the goal for reducing child mortality, 39 are making some progress, and 14 are cause for serious concern.''

Now what does that mean in real, human terms? It means each year over 10 million children under the age of 5 die in the developing world, that's approximately 30,000 each day. About 4 million of those children die in their first 4 weeks of life. In many cases, they aren't even provided with a fighting chance. Preventable or treatable diseases such as measles, tetanus, diarrhea, pneumonia, and malaria are the most common causes of death.

Similarly, more than 525,000 women die from causes related to pregnancy and childbirth, more than 1,400 each day. Some of the most common risk factors for maternal death include early pregnancy and childbirth, closely spaced births, infectious diseases, malnutrition, and complications during childbirth.

Nearly every one of those deaths is entirely preventable. And that fact makes a poor American commitment inexcusable.

That commitment will not require new medicine. It will not require sophisticated technology. The tools we need are already at hand. Even now, simple measures are saving lives in the developing world.

Studies in the Lancet tell us that, for just over $5 billion, the world could prevent two-thirds of under-5 child deaths with proven, low-cost, high-impact interventions. For 6 million lives, that is a bargain.

How cheap are these lifesaving measures? Oral rehydration therapy for diarrhea costs 6 cents per treatment. Antibiotics to treat respiratory infections cost a quarter per treatment. Encouraging breastfeeding, providing vitamin supplements and immunizations, and expanding basic clinical care are just as cost effective.

This bill incrementally scales up U.S. funding for child and maternal health programs up to $1.6 billion by 2011. That is a third of the money the world needs to save those 6 million children's lives, and it is proportionate to our efforts against HIV/AIDS, TB, and malaria. And it is less money than we spend in Iraq in just 1 week. Yes, 1 week.

To be clear, America is not new to this battle. We've had some significant successes: Between 1960 and 1990, U.S. investment in reducing child mortality in the developing world contributed to a 50 percent reduction in under-5 deaths. Over the past 20 years, we have devoted over $6 billion to child survival programs.

But as I have noted, at current funding levels in the U.S. and abroad, the world will not meet the Millennium Development Goals. Certainly, America cannot meet them alone. But with a strong effort, we can galvanize other nations to do their part and come forward with the funds we need to save lives.

So I am proud to offer the Global Child Survival Act of 2007, a bill with widespread, bipartisan, bicameral support. It has been endorsed by Save the Children, the US Fund for UNICEF, and the One Campaign; is being jointly introduced with my good friend Senator GORDON SMITH from across the aisle; and was introduced last week in the House in a bipartisan manner by Congresswoman BETTY MCCOLLUM and Congressman CHRIS SHAYS.

For me it's simple. As the world's only superpower and largest economy, the United States is in a unique position to tackle the toughest challenges of our times. Where we can make a concrete difference, we must not fail to act. Where we have the tools to alleviate death and suffering, we must deliver them.

So I urge my colleagues to support this bill. Millions of lives are in the balance.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1418

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''United States Commitment to Global Child Survival Act of 2007''.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress makes the following findings:

(1) In 2000, the United States joined 188 countries in committing to achieve 8 Millennium Development Goals (MDGs) by 2015, including ''MDG 4'' and ''MDG 5'' that aim to reduce the mortality rate of children under the age of 5 by ⅔ and maternal mortality rate by ¾ in developing countries, respectively.

(2) The significant commitment of the United States to reducing child mortality in the developing world contributed to a 50-percent reduction in the mortality rate of children under the age of 5 between 1960 and 1990, and over the past 20 years, the United States has invested over $6,000,000,000 in child survival programs run by the United States Agency for International Development.

(3) According to one of the world's leading medical journals, the Lancet, despite United States and global efforts to achieve MDG 4, of the 60 countries that account for 94 percent of under-5 child deaths, ''only seven countries are on track to meet MDG 4, thirty-nine countries are making some progress, although they need to accelerate the speed, and fourteen countries are cause for serious concern''.

(4) 10,500,000 children under the age of 5 die annually, over 29,000 children per day, from easily preventable and treatable causes, including 4,000,000 newborns who die in the first 4 weeks of life.

(5) 3,000,000 children die each year due to lack of access to low-cost antibiotics and antimalarial drugs, and 1,700,000 die from diseases for which vaccines are readily available.

(6) Maternal health is an important determinant of neonatal survival with maternal death increasing death rates for newborns to as high as 100 percent in certain countries in the developing world.

(7) Approximately 525,000 women die every year in the developing world from causes related to pregnancy and childbirth.

(8) Risk factors for maternal death in developing countries include pregnancy and childbirth at an early age, closely spaced births, infectious diseases, malnutrition, and complications during childbirth.

(9) According to the Lancet, nearly ⅔ of annual child and newborn deaths, 6,000,000 children, can be avoided in accordance with MDG 4 if a package of high impact, low-cost interventions were made available at a total, additional, annual cost of $5,100,000,000, including oral rehydration therapy for diarrhea ($0.06 per treatment) and antibiotics to treat respiratory infections ($0.25 per treatment).

(10) 2,000,000 lives could be saved annually by providing oral rehydration therapy prepared with clean water.

(11) Exclusive breastfeeding—giving only breast milk for the first 6 months of life—could prevent an estimated 1,300,000 newborn and infant deaths each year, primarily by protecting against diarrhea and pneumonia.

(12) Expansion of clinical care for newborns and mothers, such as clean delivery by skilled attendants, emergency obstetric care, and neonatal resuscitation, can avert 50 percent of newborn deaths and reduce maternal mortality.

(13) The United Nations Children's Fund (UNICEF), with support from the World Health Organization, the World Bank, and the African Union, has successfully demonstrated the accelerated child survival and development program in Senegal, Mali, Benin, and Ghana, reducing mortality of children under the age of 5 by 20 percent in targeted areas using low-cost, high-impact interventions.

(14) On September 14, 2005, President George W. Bush stated before the United Nations High-Level Plenary Meeting that the United States is ''committed to the Millennium Development Goals''.

(15) Nearing the halfway point of attaining the MDGs by 2015 with thousands of avoidable newborn, child, and maternal deaths still occurring, the United States must immediately scale up its funding and delivery of proven low-cost, life-saving interventions in order to fulfill its commitment to help ensure that MDGs 4 and 5 are met.

(b) PURPOSES.—The purposes of this Act are—

(1) to develop a strategy to reduce mortality and improve the health of newborns, children, and mothers, and authorize assistance for its implementation; and

(2) to establish a task force to assess, monitor, and evaluate the progress and contributions of relevant departments and agencies of the United States Government in achieving MDGs 4 and 5.

SEC. 3. ASSISTANCE TO IMPROVE THE HEALTH OF NEWBORNS, CHILDREN, AND MOTHERS IN DEVELOPING COUNTRIES.

(a) IN GENERAL.—Chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended—

(1) in section 104(c)—

(A) by striking paragraphs (2) and (3); and

(B) by redesignating paragraph (4) as paragraph (2); and

(2) by inserting after section 104C the following new section:

''SEC. 104D. ASSISTANCE TO REDUCE MORTALITY AND IMPROVE THE HEALTH OF NEWBORNS, CHILDREN, AND MOTHERS.

''(a) AUTHORIZATION.—Consistent with section 104(c), the President is authorized to furnish assistance, on such terms and conditions as the President may determine, to reduce mortality and improve the health of

newborns, children, and mothers in developing countries.

''(b) ACTIVITIES SUPPORTED.—Assistance provided under subsection (a) shall, to the maximum extent practicable, be used to carry out the following activities:

''(1) Activities to improve newborn care and treatment.

''(2) Activities to treat childhood illness, including increasing access to appropriate treatment for diarrhea, pneumonia, and other life-threatening childhood illnesses.

''(3) Activities to improve child and maternal nutrition, including the delivery of iron, zinc, vitamin A, iodine, and other key micronutrients and the promotion of breastfeeding.

''(4) Activities to strengthen the delivery of immunization services, including efforts to eliminate polio.

''(5) Activities to improve birth preparedness and maternity services.

''(6) Activities to improve the recognition and treatment of obstetric complications and disabilities.

''(7) Activities to improve household-level behavior related to safe water, hygiene, exposure to indoor smoke, and environmental toxins such as lead.

''(8) Activities to improve capacity for health governance, health finance, and the health workforce, including support for training clinicians, nurses, technicians, sanitation and public health workers, community-based health works, midwives, birth attendants, peer educators, volunteers, and private sector enterprises.

''(9) Activities to address antimicrobial resistance in child and maternal health.

''(10) Activities to establish and support the management information systems of host country institutions and the development and use of tools and models to collect, analyze, and disseminate information related to newborn, child, and maternal health.

''(11) Activities to develop and conduct needs assessments, baseline studies, targeted evaluations, or other information-gathering efforts for the design, monitoring, and evaluation of newborn, child, and maternal health efforts.

''(12) Activities to integrate and coordinate assistance provided under this section with existing health programs for—

''(A) the prevention of the transmission of HIV from mother-to-child and other HIV/AIDS counseling, care, and treatment activities;

''(B) malaria;

''(C) tuberculosis; and

''(D) child spacing.

''(c) GUIDELINES.—To the maximum extent practicable, programs, projects, and activities carried out using assistance provided under this section shall be—

''(1) carried out through private and voluntary organizations, including faith-based organizations, and relevant international and multilateral organizations, including the GAVI Alliance and UNICEF, that demonstrate effectiveness and commitment to improving the health of newborns, children, and mothers;

''(2) carried out with input by host countries, including civil society and local communities, as well as other donors and multilateral organizations;

''(3) carried out with input by beneficiaries and other directly affected populations, especially women and marginalized communities; and

''(4) designed to build the capacity of host country governments and civil society organizations.

''(d) ANNUAL REPORT.—Not later than January 31 of each year, the President shall transmit to Congress a report on the implementation of this section for the prior fiscal year.

''(e) DEFINITIONS.—In this section:

''(1) AIDS.—The term 'AIDS' has the meaning given the term in section 104A(g)(1) of this Act.

''(2) HIV.—The term 'HIV' has the meaning given the term in section 104A(g)(2) of this Act.

''(3) HIV/AIDS.—The term 'HIV/AIDS' has the meaning given the term in section 104A(g)(3) of this Act.''.

(b) CONFORMING AMENDMENTS.—The Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended—

(1) in section 104(c)(2) (as redesignated by subsection (a)(1)(B) of this section), by striking ''and 104C'' and inserting ''104C, and 104D'';

(2) in section 104A—

(A) in subsection (c)(1), by inserting ''and section 104D'' after ''section 104(c)''; and

(B) in subsection (f), by striking ''section 104(c), this section, section 104B, and section 104C'' and inserting ''section 104(c), this section, section 104B, section 104C, and section 104D'';

(3) in subsection (c) of section 104B, by inserting ''and section 104D'' after ''section 104(c)'';

(4) in subsection (c) of section 104C, by inserting ''and section 104D'' after ''section 104(c)''; and

(5) in the first sentence of section 119(c), by striking ''section 104(c)(2), relating to Child Survival Fund'' and inserting ''section 104D''.

SEC. 4. DEVELOPMENT OF STRATEGY TO REDUCE MORTALITY AND IMPROVE THE HEALTH OF NEWBORNS, CHILDREN, AND MOTHERS IN DEVELOPING COUNTRIES.

(a) DEVELOPMENT OF STRATEGY.—The President shall develop and implement a comprehensive strategy to improve the health of newborns, children, and mothers in developing countries.

(b) COMPONENTS.—The comprehensive United States Government strategy developed pursuant to subsection (a) shall include the following:

(1) An identification of not less than 60 countries with priority needs for the 5-year period beginning on the date of the enactment of this Act based on—

(A) the number and rate of neonatal deaths;

(B) the number and rate of child deaths; and

(C) the number and rate of maternal deaths.

(2) For each country identified in paragraph (1)—

(A) an assessment of the most common causes of newborn, child, and maternal mortality;

(B) a description of the programmatic areas and interventions providing maximum health benefits to populations at risk and maximum reduction in mortality;

(C) an assessment of the investments needed in identified programs and interventions to achieve the greatest results;

(D) a description of how United States assistance complements and leverages efforts by other donors and builds capacity and self-sufficiency among recipient countries; and

(E) a description of goals and objectives for improving newborn, child, and maternal health, including, to the extent feasible, objective and quantifiable indicators.

(3) An expansion of the Child Survival and Health Grants Program of the United States Agency for International Development, at least proportionate to any increase in child and maternal health assistance, to provide additional support programs and interventions determined to be efficacious and cost-effective.

(4) Enhanced coordination among relevant departments and agencies of the United States Government engaged in activities to improve the health and well-being of newborns, children, and mothers in developing countries.

(5) A description of the measured or estimated impact on child morbidity and mortality of each project or program.

(c) REPORT.—Not later than 180 days after the date of the enactment of this Act, the President shall transmit to Congress a report that contains the strategy described in this section.

SEC. 5. INTERAGENCY TASK FORCE ON CHILD SURVIVAL AND MATERNAL HEALTH IN DEVELOPING COUNTRIES.

(a) ESTABLISHMENT.—There is established a task force to be known as the Interagency Task Force on Child Survival and Maternal Health in Developing Countries (in this section referred to as the ''Task Force'').

(b) DUTIES.—

(1) IN GENERAL.—The Task Force shall assess, monitor, and evaluate the progress and contributions of relevant departments and agencies of the United States Government in achieving MDGs 4 and 5 in developing countries, including by—

(A) identifying and evaluating programs and interventions that directly or indirectly contribute to the reduction of child and maternal mortality rates;

(B) assessing effectiveness of programs, interventions, and strategies toward achieving the maximum reduction of child and maternal mortality rates;

(C) assessing the level of coordination among relevant departments and agencies of the United States Government, the international community, international organizations, faith-based organizations, academic institutions, and the private sector;

(D) assessing the contributions made by United States-funded programs toward achieving MDGs 4 and 5;

(E) identifying the bilateral efforts of other nations and multilateral efforts toward achieving MDGs 4 and 5; and

(F) preparing the annual report required by subsection (f).

(2) CONSULTATION.—To the maximum extent practicable, the Task Force shall consult with individuals with expertise in the matters to be considered by the Task Force who are not officers or employees of the United States Government, including representatives of United States-based nongovernmental organizations (including faith-based organizations and private foundations), academic institutions, private corporations, the United Nations Children's Fund (UNICEF), and the World Bank.

(c) MEMBERSHIP.—

(1) NUMBER AND APPOINTMENT.—The Task Force shall be composed of the following members:

(A) The Administrator of the United States Agency for International Development.

(B) The Assistant Secretary of State for Population, Refugees and Migration.

(C) The Coordinator of United States Government Activities to Combat HIV/AIDS Globally.

(D) The Director of the Office of Global Health Affairs of the Department of Health and Human Services.

(E) The Under Secretary for Food, Nutrition and Consumer Services of the Department of Agriculture.

(F) The Chief Executive Officer of the Millennium Challenge Corporation.

(G) Other officials of relevant departments and agencies of the Federal Government who shall be appointed by the President.

(H) Two ex officio members appointed by the Speaker of the House of Representatives

in consultation with the Minority Leader of the House of Representatives.

(I) Two ex officio members appointed by the Majority Leader of the Senate in consultation with the Minority Leader of the Senate.

(2) CHAIRPERSON.—The Administrator of the United States Agency for International Development shall serve as chairperson of the Task Force.

(d) MEETINGS.—The Task Force shall meet on a regular basis, not less often than quarterly, on a schedule to be agreed upon by the members of the Task Force, and starting not later than 90 days after the date of the enactment of this Act.

(e) DEFINITION.—In this subsection, the term ''Millennium Development Goals'' means the key development objectives described in the United Nations Millennium Declaration, as contained in United Nations General Assembly Resolution 55/2 (September 2000).

(f) REPORT.—Not later than 120 days after the date of the enactment of this Act, and not later than April 30 of each year thereafter, the Task Force shall submit to Congress and the President a report on the implementation of this section.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this Act, and the amendments made by this Act, $600,000,000 for fiscal year 2008, $900,000,000 for fiscal year 2009, $1,200,000,000 for fiscal year 2010, and $1,600,000,000 for each of fiscal years 2011 and 2012.

(b) AVAILABILITY OF FUNDS.—Amounts appropriated pursuant to the authorization of appropriations under subsection (a) are authorized to remain available until expended.

By Mr. REID:

S. 1419. A bill to move the United States toward greater energy independence and security, to increase the production of clean renewable fuels, to protect consumers from price gouging, to increase the energy efficiency of products, buildings and vehicles, to promote research on and deploy greenhouse gas capture and storage options, and to improve the energy performance of the Federal Government, and for other purposes; placed on the calendar.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1419

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Renewable Fuels, Consumer Protection, and Energy Efficiency Act of 2007''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

SEC. 2. RELATIONSHIP TO OTHER LAW.

Except to the extent expressly provided in this Act or an amendment made by this Act, nothing in this Act or an amendment made by this Act supersedes, limits the authority provided or responsibility conferred by, or authorizes any violation of any provision of law (including a regulation), including any energy or environmental law or regulation.

TITLE I—BIOFUELS FOR ENERGY SECURITY AND TRANSPORTATION

SEC. 101. SHORT TITLE.

This title may be cited as the ''Biofuels for Energy Security and Transportation Act of 2007''.

SEC. 102. DEFINITIONS.

In this title:

(1) ADVANCED BIOFUEL.—

(A) IN GENERAL.—The term ''advanced biofuel'' means fuel derived from renewable biomass other than corn starch.

(B) INCLUSIONS.—The term ''advanced biofuel'' includes—

(i) ethanol derived from cellulose, hemicellulose, or lignin;

(ii) ethanol derived from sugar or starch, other than ethanol derived from corn starch;

(iii) ethanol derived from waste material, including crop residue, other vegetative waste material, animal waste, and food waste and yard waste;

(iv) diesel-equivalent fuel derived from renewable biomass, including vegetable oil and animal fat;

(v) biogas produced through the conversion of organic matter from renewable biomass; and

(vi) butanol or higher alcohols produced through the conversion of organic matter from renewable biomass.

(2) CELLULOSIC BIOMASS ETHANOL.—The term ''cellulosic biomass ethanol'' means ethanol derived from any cellulose, hemicellulose, or lignin that is derived from renewable biomass.

(3) CONVENTIONAL BIOFUEL.—The term ''conventional biofuel'' means ethanol derived from corn starch.

(4) RENEWABLE BIOMASS.—The term ''renewable biomass'' means—

(A) biomass (as defined by section 210 of the Energy Policy Act of 2005 (42 U.S.C. 15855)) (excluding the bole of old-growth trees of a forest from the late successional state of forest development) that is harvested where permitted by law and in accordance with applicable land management plans from—

(i) National Forest System land; or

(ii) public lands (as defined in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702)); or

(B) any organic matter that is available on a renewable or recurring basis from non-Federal land or from land belonging to an Indian tribe, or an Indian individual, that is held in trust by the United States or subject to a restriction against alienation imposed by the United States, including—

(i) renewable plant material, including—

(I) feed grains;

(II) other agricultural commodities;

(III) other plants and trees; and

(IV) algae; and

(ii) waste material, including—

(I) crop residue;

(II) other vegetative waste material (including wood waste and wood residues);

(III) animal waste and byproducts (including fats, oils, greases, and manure); and

(IV) food waste and yard waste.

(5) RENEWABLE FUEL.—

(A) IN GENERAL.—The term ''renewable fuel'' means motor vehicle fuel, boiler fuel, or home heating fuel that is—

(i) produced from renewable biomass; and

(ii) used to replace or reduce the quantity of fossil fuel present in a fuel or fuel mixture used to operate a motor vehicle, boiler, or furnace.

(B) INCLUSION.—The term ''renewable fuel'' includes—

(i) conventional biofuel; and

(ii) advanced biofuel.

(6) SECRETARY.—The term ''Secretary'' means the Secretary of Energy

(7) SMALL REFINERY.—The term ''small refinery'' means a refinery for which the average aggregate daily crude oil throughput for a calendar year (as determined by dividing the aggregate throughput for the calendar year by the number of days in the calendar year) does not exceed 75,000 barrels.

Subtitle A—Renewable Fuel Standard

SEC. 111. RENEWABLE FUEL STANDARD.

(a) RENEWABLE FUEL PROGRAM.—

(1) REGULATIONS.—

(A) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the President shall promulgate regulations to ensure that motor vehicle fuel, home heating oil, and boiler fuel sold or introduced into commerce in the United States (except in noncontiguous States or territories), on an annual average basis, contains the applicable volume of renewable fuel determined in accordance with paragraph (2).

(B) PROVISIONS OF REGULATIONS.—Regardless of the date of promulgation, the regulations promulgated under subparagraph (A)—

(i) shall contain compliance provisions applicable to refineries, blenders, distributors, and importers, as appropriate, to ensure that—

(I) the requirements of this subsection are met; and

(II) renewable fuels produced from facilities built after the date of enactment of this Act achieve at least a 20 percent reduction in life cycle greenhouse gas emissions compared to gasoline; but

(ii) shall not—

(I) restrict geographic areas in the contiguous United States in which renewable fuel may be used; or

(II) impose any per-gallon obligation for the use of renewable fuel.

(C) RELATIONSHIP TO OTHER REGULATIONS.—Regulations promulgated under this paragraph shall, to the maximum extent practicable, incorporate the program structure, compliance, and reporting requirements established under the final regulations promulgated to implement the renewable fuel program established by the amendment made by section 1501(a)(2) of the Energy Policy Act of 2005 (Public Law 109–58; 119 Stat. 1067).

(2) APPLICABLE VOLUME.—

(A) CALENDAR YEARS 2008 THROUGH 2022.—

(i) RENEWABLE FUEL.—For the purpose of paragraph (1), subject to clause (ii), the applicable volume for any of calendar years 2008 through 2022 shall be determined in accordance with the following table:

Calendar year:	Applicable volume of renewable fuel (in billions of gallons):
2008	8.5
2009	10.5
2010	12.0
2011	12.6
2012	13.2
2013	13.8
2014	14.4
2015	15.0
2016	18.0
2017	21.0
2018	24.0
2019	27.0
2020	30.0
2021	33.0
2022	36.0

(ii) ADVANCED BIOFUELS.—For the purpose of paragraph (1), of the volume of renewable fuel required under clause (i), the applicable volume for any of calendar years 2016 through 2022 for advanced biofuels shall be determined in accordance with the following table:

Calendar year:	Applicable volume of advanced biofuels (in billions of gallons):
2016	3.0
2017	6.0
2018	9.0
2019	12.0
2020	15.0
2021	18.0
2022	21.0

(B) CALENDAR YEAR 2023 AND THEREAFTER.—Subject to subparagraph (C), for the purposes of paragraph (1), the applicable volume for calendar year 2023 and each calendar year thereafter shall be determined by the President, in coordination with the Secretary of Energy, the Secretary of Agriculture, and the Administrator of the Environmental Protection Agency, based on a review of the implementation of the program during calendar years 2007 through 2022, including a review of—

(i) the impact of renewable fuels on the energy security of the United States;

(ii) the expected annual rate of future production of renewable fuels, including advanced biofuels;

(iii) the impact of renewable fuels on the infrastructure of the United States, including deliverability of materials, goods, and

products other than renewable fuel, and the sufficiency of infrastructure to deliver renewable fuel; and

(iv) the impact of the use of renewable fuels on other factors, including job creation, the price and supply of agricultural commodities, rural economic development, and the environment.

(C) MINIMUM APPLICABLE VOLUME.—Subject to subparagraph (D), for the purpose of paragraph (1), the applicable volume for calendar year 2023 and each calendar year thereafter shall be equal to the product obtained by multiplying—

(i) the number of gallons of gasoline that the President estimates will be sold or introduced into commerce in the calendar year; and

(ii) the ratio that—

(I) 36,000,000,000 gallons of renewable fuel; bears to

(II) the number of gallons of gasoline sold or introduced into commerce in calendar year 2022.

(D) MINIMUM PERCENTAGE OF ADVANCED BIOFUEL.—For the purpose of paragraph (1) and subparagraph (C), at least 60 percent of the minimum applicable volume for calendar year 2023 and each calendar year thereafter shall be advanced biofuel.

(b) APPLICABLE PERCENTAGES.—

(1) PROVISION OF ESTIMATE OF VOLUMES OF GASOLINE SALES.—Not later than October 31 of each of calendar years 2008 through 2021, the Administrator of the Energy Information Administration shall provide to the President an estimate, with respect to the following calendar year, of the volumes of gasoline projected to be sold or introduced into commerce in the United States.

(2) DETERMINATION OF APPLICABLE PERCENTAGES.—

(A) IN GENERAL.—Not later than November 30 of each of calendar years 2008 through 2022, based on the estimate provided under paragraph (1), the President shall determine and publish in the Federal Register, with respect to the following calendar year, the renewable fuel obligation that ensures that the requirements of subsection (a) are met.

(B) REQUIRED ELEMENTS.—The renewable fuel obligation determined for a calendar year under subparagraph (A) shall—

(i) be applicable to refineries, blenders, and importers, as appropriate;

(ii) be expressed in terms of a volume percentage of gasoline sold or introduced into commerce in the United States; and

(iii) subject to paragraph (3)(A), consist of a single applicable percentage that applies to all categories of persons specified in clause (i).

(3) ADJUSTMENTS.—In determining the applicable percentage for a calendar year, the President shall make adjustments—

(A) to prevent the imposition of redundant obligations on any person specified in paragraph (2)(B)(i); and

(B) to account for the use of renewable fuel during the previous calendar year by small refineries that are exempt under subsection (g).

(c) VOLUME CONVERSION FACTORS FOR RENEWABLE FUELS BASED ON ENERGY CONTENT OR REQUIREMENTS.—

(1) IN GENERAL.—For the purpose of subsection (a), the President shall assign values to specific types of advanced biofuels for the purpose of satisfying the fuel volume requirements of subsection (a)(2) in accordance with this subsection.

(2) ENERGY CONTENT RELATIVE TO ETHANOL.—For advanced biofuel, 1 gallon of the advanced biofuel shall be considered to be the equivalent of 1 gallon of renewable fuel multiplied by the ratio that—

(A) the number of British thermal units of energy produced by the combustion of 1 gallon of the advanced biofuel (as measured under conditions determined by the Secretary); bears to

(B) the number of British thermal units of energy produced by the combustion of 1 gallon of pure ethanol (as measured under conditions determined by the Secretary to be comparable to conditions described in subparagraph (A)).

(3) TRANSITIONAL ENERGY-RELATED CONVERSION FACTORS FOR CELLULOSIC BIOMASS ETHANOL.—For any of calendar years 2008 through 2015, 1 gallon of cellulosic biomass ethanol shall be considered to be the equivalent of 2.5 gallons of renewable fuel.

(d) CREDIT PROGRAM.—

(1) IN GENERAL.—The President, in consultation with the Secretary and the Administrator of the Environmental Protection Agency, shall implement a credit program to manage the renewable fuel requirement of this section in a manner consistent with the credit program established by the amendment made by section 1501(a)(2) of the Energy Policy Act of 2005 (Public Law 109–58; 119 Stat. 1067).

(2) MARKET TRANSPARENCY.—In carrying out the credit program under this subsection, the President shall facilitate price transparency in markets for the sale and trade of credits, with due regard for the public interest, the integrity of those markets, fair competition, and the protection of consumers and agricultural producers.

(e) SEASONAL VARIATIONS IN RENEWABLE FUEL USE.—

(1) STUDY.—For each of calendar years 2008 through 2022, the Administrator of the Energy Information Administration shall conduct a study of renewable fuel blending to determine whether there are excessive seasonal variations in the use of renewable fuel.

(2) REGULATION OF EXCESSIVE SEASONAL VARIATIONS.—If, for any calendar year, the Administrator of the Energy Information Administration, based on the study under paragraph (1), makes the determinations specified in paragraph (3), the President shall promulgate regulations to ensure that 25 percent or more of the quantity of renewable fuel necessary to meet the requirements of subsection (a) is used during each of the 2 periods specified in paragraph (4) of each subsequent calendar year.

(3) DETERMINATIONS.—The determinations referred to in paragraph (2) are that—

(A) less than 25 percent of the quantity of renewable fuel necessary to meet the requirements of subsection (a) has been used during 1 of the 2 periods specified in paragraph (4) of the calendar year;

(B) a pattern of excessive seasonal variation described in subparagraph (A) will continue in subsequent calendar years; and

(C) promulgating regulations or other requirements to impose a 25 percent or more seasonal use of renewable fuels will not significantly—

(i) increase the price of motor fuels to the consumer; or

(ii) prevent or interfere with the attainment of national ambient air quality standards.

(4) PERIODS.—The 2 periods referred to in this subsection are—

(A) April through September; and

(B) January through March and October through December.

(f) WAIVERS.—

(1) IN GENERAL.—The President, in consultation with the Secretary of Energy, the Secretary of Agriculture, and the Administrator of the Environmental Protection Agency, may waive the requirements of subsection (a) in whole or in part on petition by one or more States by reducing the national quantity of renewable fuel required under subsection (a), based on a determination by the President (after public notice and opportunity for comment), that—

(A) implementation of the requirement would severely harm the economy or environment of a State, a region, or the United States; or

(B) extreme and unusual circumstances exist that prevent distribution of an adequate supply of domestically-produced renewable fuel to consumers in the United States.

(2) PETITIONS FOR WAIVERS.—The President, in consultation with the Secretary of Energy, the Secretary of Agriculture, and the Administrator of the Environmental Protection Agency, shall approve or disapprove a State petition for a waiver of the requirements of subsection (a) within 90 days after the date on which the petition is received by the President.

(3) TERMINATION OF WAIVERS.—A waiver granted under paragraph (1) shall terminate after 1 year, but may be renewed by the President after consultation with the Secretary of Energy, the Secretary of Agriculture, and the Administrator of the Environmental Protection Agency.

(4) REPORT TO CONGRESS.—If the Secretary makes a determination under paragraph (1)(B) that railroad transportation of domestically-produced renewable fuel is inadequate, based on either the service provided by, or the price of, the railroad transportation, the President shall submit to Congress a report that describes—

(A) the actions the Federal Government is taking, or will take, to address the inadequacy, including a description of the specific powers of the applicable Federal agencies; and

(B) if the President finds that there are inadequate Federal powers to address the railroad service or pricing inadequacies, recommendations for legislation to provide appropriate powers to Federal agencies to address the inadequacies.

(g) SMALL REFINERIES.—

(1) TEMPORARY EXEMPTION.—

(A) IN GENERAL.—The requirements of subsection (a) shall not apply to—

(i) small refineries (other than a small refinery described in clause (ii)) until calendar year 2013; and

(ii) small refineries owned by a small business refiner (as defined in section 45H(c) of the Internal Revenue Code of 1986) until calendar year 2015.

(B) EXTENSION OF EXEMPTION.—

(i) STUDY BY SECRETARY.—Not later than December 31, 2008, the Secretary shall submit to the President and Congress a report describing the results of a study to determine whether compliance with the requirements of subsection (a) would impose a disproportionate economic hardship on small refineries.

(ii) EXTENSION OF EXEMPTION.—In the case of a small refinery that the Secretary determines under clause (i) would be subject to a disproportionate economic hardship if required to comply with subsection (a), the President shall extend the exemption under subparagraph (A) for the small refinery for a period of not less than 2 additional years.

(2) PETITIONS BASED ON DISPROPORTIONATE ECONOMIC HARDSHIP.—

(A) EXTENSION OF EXEMPTION.—A small refinery may at any time petition the President for an extension of the exemption under paragraph (1) for the reason of disproportionate economic hardship.

(B) EVALUATION OF PETITIONS.—In evaluating a petition under subparagraph (A), the President, in consultation with the Secretary, shall consider the findings of the study under paragraph (1)(B) and other economic factors.

(C) DEADLINE FOR ACTION ON PETITIONS.—The President shall act on any petition submitted by a small refinery for a hardship exemption not later than 90 days after the date of receipt of the petition.

(3) OPT-IN FOR SMALL REFINERIES.—A small refinery shall be subject to the requirements of subsection (a) if the small refinery notifies the President that the small refinery waives the exemption under paragraph (1).

(h) PENALTIES AND ENFORCEMENT.—

(1) CIVIL PENALTIES.—

(A) IN GENERAL.—Any person that violates a regulation promulgated under subsection (a), or that fails to furnish any information required under such a regulation, shall be liable to the United States for a civil penalty of not more than the total of—

(i) $25,000 for each day of the violation; and

(ii) the amount of economic benefit or savings received by the person resulting from the violation, as determined by the President.

(B) COLLECTION.—Civil penalties under subparagraph (A) shall be assessed by, and collected in a civil action brought by, the Secretary or such other officer of the United States as is designated by the President.

(2) INJUNCTIVE AUTHORITY.—

(A) IN GENERAL.—The district courts of the United States shall have jurisdiction to—

(i) restrain a violation of a regulation promulgated under subsection (a);

(ii) award other appropriate relief; and

(iii) compel the furnishing of information required under the regulation.

(B) ACTIONS.—An action to restrain such violations and compel such actions shall be brought by and in the name of the United States.

(C) SUBPOENAS.—In the action, a subpoena for a witness who is required to attend a district court in any district may apply in any other district.

(i) VOLUNTARY LABELING PROGRAM.—

(1) IN GENERAL.—The President shall establish criteria for a system of voluntary labeling of renewable fuels based on life cycle greenhouse gas emissions.

(2) CONSUMER EDUCATION.—The President shall ensure that the labeling system under this subsection provides useful information to consumers making fuel purchases.

(3) FLEXIBILITY.—In carrying out this subsection, the President may establish more than 1 label, as appropriate.

(j) EFFECTIVE DATE.—Except as otherwise specifically provided in this section, this section takes effect on January 1, 2008.

SEC. 112. PRODUCTION OF RENEWABLE FUEL USING RENEWABLE ENERGY.

(a) DEFINITIONS.—In this section:

(1) FACILITY.—The term ''facility'' means a facility used for the production of renewable fuel.

(2) RENEWABLE ENERGY.—

(A) IN GENERAL.—The term ''renewable energy'' has the meaning given the term in section 203(b) of the Energy Policy Act of 2005 (42 U.S.C. 15852(b)).

(B) INCLUSION.—The term ''renewable energy'' includes biogas produced through the conversion of organic matter from renewable biomass.

(b) ADDITIONAL CREDIT.—

(1) IN GENERAL.—The President shall provide a credit under the program established under section 111(d) to the owner of a facility that uses renewable energy to displace more than 90 percent of the fossil fuel normally used in the production of renewable fuel.

(2) CREDIT AMOUNT.—The President may provide the credit in a quantity that is not more than the equivalent of 1.5 gallons of renewable fuel for each gallon of renewable fuel produced in a facility described in paragraph (1).

Subtitle B—Renewable Fuels Infrastructure

SEC. 121. INFRASTRUCTURE PILOT PROGRAM FOR RENEWABLE FUELS.

(a) IN GENERAL.—The Secretary, in consultation with the Secretary of Transportation and the Administrator of the Environmental Protection Agency, shall establish a competitive grant pilot program (referred to in this section as the ''pilot program''), to be administered through the Vehicle Technology Deployment Program of the Department of Energy, to provide not more than 10 geographically-dispersed project grants to State governments, Indian tribal governments, local governments, metropolitan transportation authorities, or partnerships of those entities to carry out 1 or more projects for the purposes described in subsection (b).

(b) GRANT PURPOSES.—A grant under this section shall be used for the establishment of refueling infrastructure corridors, as designated by the Secretary, for gasoline blends that contain not less than 11 percent, and not more than 85 percent, renewable fuel or diesel fuel that contains at least 10 percent renewable fuel, including—

(1) installation of infrastructure and equipment necessary to ensure adequate distribution of renewable fuels within the corridor;

(2) installation of infrastructure and equipment necessary to directly support vehicles powered by renewable fuels; and

(3) operation and maintenance of infrastructure and equipment installed as part of a project funded by the grant.

(c) APPLICATIONS.—

(1) REQUIREMENTS.—

(A) IN GENERAL.—Subject to subparagraph (B), not later than 90 days after the date of enactment of this Act, the Secretary shall issue requirements for use in applying for grants under the pilot program.

(B) MINIMUM REQUIREMENTS.—At a minimum, the Secretary shall require that an application for a grant under this section—

(i) be submitted by—

(I) the head of a State, tribal, or local government or a metropolitan transportation authority, or any combination of those entities; and

(II) a registered participant in the Vehicle Technology Deployment Program of the Department of Energy; and

(ii) include—

(I) a description of the project proposed in the application, including the ways in which the project meets the requirements of this section;

(II) an estimate of the degree of use of the project, including the estimated size of fleet of vehicles operated with renewable fuel available within the geographic region of the corridor, measured as a total quantity and a percentage;

(III) an estimate of the potential petroleum displaced as a result of the project (measured as a total quantity and a percentage), and a plan to collect and disseminate petroleum displacement and other relevant data relating to the project to be funded under the grant, over the expected life of the project;

(IV) a description of the means by which the project will be sustainable without Federal assistance after the completion of the term of the grant;

(V) a complete description of the costs of the project, including acquisition, construction, operation, and maintenance costs over the expected life of the project; and

(VI) a description of which costs of the project will be supported by Federal assistance under this subsection.

(2) PARTNERS.—An applicant under paragraph (1) may carry out a project under the pilot program in partnership with public and private entities.

(d) SELECTION CRITERIA.—In evaluating applications under the pilot program, the Secretary shall—

(1) consider the experience of each applicant with previous, similar projects; and

(2) give priority consideration to applications that—

(A) are most likely to maximize displacement of petroleum consumption, measured as a total quantity and a percentage;

(B) are best able to incorporate existing infrastructure while maximizing, to the extent practicable, the use of advanced biofuels;

(C) demonstrate the greatest commitment on the part of the applicant to ensure funding for the proposed project and the greatest likelihood that the project will be maintained or expanded after Federal assistance under this subsection is completed;

(D) represent a partnership of public and private entities; and

(E) exceed the minimum requirements of subsection (c)(1)(B).

(e) PILOT PROJECT REQUIREMENTS.—

(1) MAXIMUM AMOUNT.—The Secretary shall provide not more than $20,000,000 in Federal assistance under the pilot program to any applicant.

(2) COST SHARING.—The non-Federal share of the cost of any activity relating to renewable fuel infrastructure development carried out using funds from a grant under this section shall be not less than 20 percent.

(3) MAXIMUM PERIOD OF GRANTS.—The Secretary shall not provide funds to any applicant under the pilot program for more than 2 years.

(4) DEPLOYMENT AND DISTRIBUTION.—The Secretary shall seek, to the maximum extent practicable, to ensure a broad geographic distribution of project sites funded by grants under this section.

(5) TRANSFER OF INFORMATION AND KNOWLEDGE.—The Secretary shall establish mechanisms to ensure that the information and knowledge gained by participants in the pilot program are transferred among the pilot program participants and to other interested parties, including other applicants that submitted applications.

(f) SCHEDULE.—

(1) INITIAL GRANTS.—

(A) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the Secretary shall publish in the Federal Register, Commerce Business Daily, and such other publications as the Secretary considers to be appropriate, a notice and request for applications to carry out projects under the pilot program.

(B) DEADLINE.—An application described in subparagraph (A) shall be submitted to the Secretary by not later than 180 days after the date of publication of the notice under that subparagraph.

(C) INITIAL SELECTION.—Not later than 90 days after the date by which applications for grants are due under subparagraph (B), the Secretary shall select by competitive, peer-reviewed proposal up to 5 applications for projects to be awarded a grant under the pilot program.

(2) ADDITIONAL GRANTS.—

(A) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, the Secretary shall publish in the Federal Register, Commerce Business Daily, and such other publications as the Secretary considers to be appropriate, a notice and request for additional applications to carry out projects under the pilot program that incorporate the information and knowledge obtained through the implementation of the first round of projects authorized under the pilot program.

(B) DEADLINE.—An application described in subparagraph (A) shall be submitted to the Secretary by not later than 180 days after

the date of publication of the notice under that subparagraph.

(C) INITIAL SELECTION.—Not later than 90 days after the date by which applications for grants are due under subparagraph (B), the Secretary shall select by competitive, peer-reviewed proposal such additional applications for projects to be awarded a grant under the pilot program as the Secretary determines to be appropriate.

(g) REPORTS TO CONGRESS.—

(1) INITIAL REPORT.—Not later than 60 days after the date on which grants are awarded under this section, the Secretary shall submit to Congress a report containing—

(A) an identification of the grant recipients and a description of the projects to be funded under the pilot program;

(B) an identification of other applicants that submitted applications for the pilot program but to which funding was not provided; and

(C) a description of the mechanisms used by the Secretary to ensure that the information and knowledge gained by participants in the pilot program are transferred among the pilot program participants and to other interested parties, including other applicants that submitted applications.

(2) EVALUATION.—Not later than 2 years after the date of enactment of this Act, and annually thereafter until the termination of the pilot program, the Secretary shall submit to Congress a report containing an evaluation of the effectiveness of the pilot program, including an assessment of the petroleum displacement and benefits to the environment derived from the projects included in the pilot program.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section $200,000,000, to remain available until expended.

SEC. 122. BIOENERGY RESEARCH AND DEVELOPMENT.

Section 931(c) of the Energy Policy Act of 2005 (42 U.S.C. 16231(c)) is amended—

(1) in paragraph (2), by striking ''$251,000,000'' and inserting ''$377,000,000''; and

(2) in paragraph (3), by striking ''$274,000,000'' and inserting ''$398,000,000''.

SEC. 123. BIORESEARCH CENTERS FOR SYSTEMS BIOLOGY PROGRAM.

Section 977(a)(1) of the Energy Policy Act of 2005 (42 U.S.C. 16317(a)(1)) is amended by inserting before the period at the end the following: '', including the establishment of at least 11 bioresearch centers of varying sizes, as appropriate, that focus on biofuels, of which at least 2 centers shall be located in each of the 4 Petroleum Administration for Defense Districts with no subdistricts and 1 center shall be located in each of the subdistricts of the Petroleum Administration for Defense District with subdistricts''.

SEC. 124. LOAN GUARANTEES FOR RENEWABLE FUEL FACILITIES.

(a) IN GENERAL.—Section 1703 of the Energy Policy Act of 2005 (42 U.S.C. 16513) is amended by adding at the end the following:

''(f) RENEWABLE FUEL FACILITIES.—

''(1) IN GENERAL.—The Secretary may make guarantees under this title for projects that produce advanced biofuel (as defined in section 102 of the Biofuels for Energy Security and Transportation Act of 2007).

''(2) REQUIREMENTS.—A project under this subsection shall employ new or significantly improved technologies for the production of renewable fuels as compared to commercial technologies in service in the United States at the time that the guarantee is issued.

''(3) ISSUANCE OF FIRST LOAN GUARANTEES.—The requirement of section 20320(b) of division B of the Continuing Appropriations Resolution, 2007 (Public Law 109–289, Public Law 110–5), relating to the issuance of final regulations, shall not apply to the first 6 guarantees issued under this subsection.

''(4) PROJECT DESIGN.—A project for which a guarantee is made under this subsection shall have a project design that has been validated through the operation of a continuous process pilot facility with an annual output of at least 50,000 gallons of ethanol or the energy equivalent volume of other advanced biofuels.

''(5) MAXIMUM GUARANTEED PRINCIPAL.—The total principal amount of a loan guaranteed under this subsection may not exceed $250,000,000 for a single facility.

''(6) AMOUNT OF GUARANTEE.—The Secretary shall guarantee 100 percent of the principal and interest due on 1 or more loans made for a facility that is the subject of the guarantee under paragraph (3).

''(7) DEADLINE.—The Secretary shall approve or disapprove an application for a guarantee under this subsection not later than 90 days after the date of receipt of the application.

''(8) REPORT.—Not later than 30 days after approving or disapproving an application under paragraph (7), the Secretary shall submit to Congress a report on the approval or disapproval (including the reasons for the action).''.

(b) IMPROVEMENTS TO UNDERLYING LOAN GUARANTEE AUTHORITY.—

(1) DEFINITION OF COMMERCIAL TECHNOLOGY.—Section 1701(1) of the Energy Policy Act of 2005 (42 U.S.C. 16511(1)) is amended by striking subparagraph (B) and inserting the following:

''(B) EXCLUSION.—The term 'commercial technology' does not include a technology if the sole use of the technology is in connection with—

''(i) a demonstration plant; or

''(ii) a project for which the Secretary approved a loan guarantee.''.

(2) SPECIFIC APPROPRIATION OR CONTRIBUTION.—Section 1702 of the Energy Policy Act of 2005 (42 U.S.C. 16512) is amended by striking subsection (b) and inserting the following:

''(b) SPECIFIC APPROPRIATION OR CONTRIBUTION.—

''(1) IN GENERAL.—No guarantee shall be made unless—

''(A) an appropriation for the cost has been made; or

''(B) the Secretary has received from the borrower a payment in full for the cost of the obligation and deposited the payment into the Treasury.

''(2) LIMITATION.—The source of payments received from a borrower under paragraph (1)(B) shall not be a loan or other debt obligation that is made or guaranteed by the Federal Government.

''(3) RELATION TO OTHER LAWS.—Section 504(b) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661c(b)) shall not apply to a loan or loan guarantee made in accordance with paragraph (1)(B).''.

(3) AMOUNT.—Section 1702 of the Energy Policy Act of 2005 (42 U.S.C. 16512) is amended by striking subsection (c) and inserting the following:

''(c) AMOUNT.—

''(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall guarantee up to 100 percent of the principal and interest due on 1 or more loans for a facility that are the subject of the guarantee.

''(2) LIMITATION.—The total amount of loans guaranteed for a facility by the Secretary shall not exceed 80 percent of the total cost of the facility, as estimated at the time at which the guarantee is issued.''.

(4) SUBROGATION.—Section 1702(g)(2) of the Energy Policy Act of 2005 (42 U.S.C. 16512(g)(2)) is amended—

(A) by striking subparagraph (B); and

(B) by redesignating subparagraph (C) as subparagraph (B).

(5) FEES.—Section 1702(h) of the Energy Policy Act of 2005 (42 U.S.C. 16512(h)) is amended by striking paragraph (2) and inserting the following:

''(2) AVAILABILITY.—Fees collected under this subsection shall—

''(A) be deposited by the Secretary into a special fund in the Treasury to be known as the 'Incentives For Innovative Technologies Fund'; and

''(B) remain available to the Secretary for expenditure, without further appropriation or fiscal year limitation, for administrative expenses incurred in carrying out this title.''.

SEC. 125. GRANTS FOR RENEWABLE FUEL PRODUCTION RESEARCH AND DEVELOPMENT IN CERTAIN STATES.

(a) IN GENERAL.—The Secretary shall provide grants to eligible entities to conduct research into, and develop and implement, renewable fuel production technologies in States with low rates of ethanol production, including low rates of production of cellulosic biomass ethanol, as determined by the Secretary.

(b) ELIGIBILITY.—To be eligible to receive a grant under the section, an entity shall—

(1)(A) be an institution of higher education (as defined in section 2 of the Energy Policy Act of 2005 (42 U.S.C. 15801)) located in a State described in subsection (a);

(B) be an institution—

(i) referred to in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (Public Law 103–382; 7 U.S.C. 301 note);

(ii) that is eligible for a grant under the Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1801 et seq.), including Diné College; or

(iii) that is eligible for a grant under the Navajo Community College Act (25 U.S.C. 640a et seq.); or

(C) be a consortium of such institutions of higher education, industry, State agencies, Indian tribal agencies, or local government agencies located in the State; and

(2) have proven experience and capabilities with relevant technologies.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $25,000,000 for each of fiscal years 2008 through 2010.

SEC. 126. GRANTS FOR INFRASTRUCTURE FOR TRANSPORTATION OF BIOMASS TO LOCAL BIOREFINERIES.

(a) IN GENERAL.—The Secretary shall conduct a program under which the Secretary shall provide grants to Indian tribal and local governments and other eligible entities (as determined by the Secretary) (referred to in this section as ''eligible entities'') to promote the development of infrastructure to support the separation, production, processing, and transportation of biomass to local biorefineries.

(b) PHASES.—The Secretary shall conduct the program in the following phases:

(1) DEVELOPMENT.—In the first phase of the program, the Secretary shall make grants to eligible entities to assist the eligible entities in the development of local projects to promote the development of infrastructure to support the separation, production, processing, and transportation of biomass to local biorefineries.

(2) IMPLEMENTATION.—In the second phase of the program, the Secretary shall make competitive grants to eligible entities to implement projects developed under paragraph (1).

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such

sums as are necessary to carry out this section.

SEC. 127. BIOREFINERY INFORMATION CENTER.

(a) IN GENERAL.—The Secretary, in cooperation with the Secretary of Agriculture, shall establish a biorefinery information center to make available to interested parties information on—

(1) renewable fuel resources, including information on programs and incentives for renewable fuels;

(2) renewable fuel producers;

(3) renewable fuel users; and

(4) potential renewable fuel users.

(b) ADMINISTRATION.—In administering the biorefinery information center, the Secretary shall—

(1) continually update information provided by the center;

(2) make information available to interested parties on the process for establishing a biorefinery; and

(3) make information and assistance provided by the center available through a toll-free telephone number and website.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

SEC. 128. ALTERNATIVE FUEL DATABASE AND MATERIALS.

The Secretary and the Director of the National Institute of Standards and Technology shall jointly establish and make available to the public—

(1) a database that describes the physical properties of different types of alternative fuel; and

(2) standard reference materials for different types of alternative fuel.

SEC. 129. FUEL TANK CAP LABELING REQUIREMENT.

Section 406(a) of the Energy Policy Act of 1992 (42 U.S.C. 13232(a)) is amended—

(1) by striking ''The Federal Trade Commission'' and inserting the following:

''(1) IN GENERAL.—The Federal Trade Commission''; and

(2) by adding at the end the following:

''(2) FUEL TANK CAP LABELING REQUIREMENT.—Beginning with model year 2010, the fuel tank cap of each alternative fueled vehicle manufactured for sale in the United States shall be clearly labeled to inform consumers that such vehicle can operate on alternative fuel.''.

SEC. 130. BIODIESEL.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary shall submit to Congress a report on any research and development challenges inherent in increasing to 5 percent the proportion of diesel fuel sold in the United States that is biodiesel (as defined in section 757 of the Energy Policy Act of 2005 (42 U.S.C. 16105)).

(b) REGULATIONS.—The President shall promulgate regulations providing for the uniform labeling of biodiesel blends that are certified to meet applicable standards published by the American Society for Testing and Materials.

(c) NATIONAL BIODIESEL FUEL QUALITY STANDARD.—

(1) QUALITY REGULATIONS.—Within 180 days following the date of enactment of this Act, the President shall promulgate regulations to ensure that only biodiesel that is tested and certified to comply with the American Society for Testing and Materials (ASTM) 6751 standard is introduced into interstate commerce.

(2) ENFORCEMENT.—The President shall ensure that all biodiesel entering interstate commerce meets the requirements of paragraph (1).

(3) FUNDING.—There are authorized to be appropriated to the President to carry out this section:

(A) $3,000,000 for fiscal year 2008.

(B) $3,000,000 for fiscal year 2009.

(C) $3,000,000 for fiscal year 2010.

Subtitle C—Studies

SEC. 141. STUDY OF ADVANCED BIOFUELS TECHNOLOGIES.

(a) IN GENERAL.—Not later than October 1, 2012, the Secretary shall offer to enter into a contract with the National Academy of Sciences under which the Academy shall conduct a study of technologies relating to the production, transportation, and distribution of advanced biofuels.

(b) SCOPE.—In conducting the study, the Academy shall—

(1) include an assessment of the maturity of advanced biofuels technologies;

(2) consider whether the rate of development of those technologies will be sufficient to meet the advanced biofuel standards required under section 111;

(3) consider the effectiveness of the research and development programs and activities of the Department of Energy relating to advanced biofuel technologies; and

(4) make policy recommendations to accelerate the development of those technologies to commercial viability, as appropriate.

(c) REPORT.—Not later than November 30, 2014, the Secretary shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives a report describing the results of the study conducted under this section.

SEC. 142. STUDY OF INCREASED CONSUMPTION OF ETHANOL-BLENDED GASOLINE WITH HIGHER LEVELS OF ETHANOL.

(a) IN GENERAL.—The Secretary, in cooperation with the Secretary of Agriculture, the Administrator of the Environmental Protection Agency, and the Secretary of Transportation, and after providing notice and an opportunity for public comment, shall conduct a study of the feasibility of increasing consumption in the United States of ethanol-blended gasoline with levels of ethanol that are not less than 10 percent and not more than 40 percent.

(b) STUDY.—The study under subsection (a) shall include—

(1) a review of production and infrastructure constraints on increasing consumption of ethanol;

(2) an evaluation of the economic, market, and energy-related impacts of State and regional differences in ethanol blends;

(3) an evaluation of the economic, market, and energy-related impacts on gasoline retailers and consumers of separate and distinctly labeled fuel storage facilities and dispensers;

(4) an evaluation of the environmental impacts of mid-level ethanol blends on evaporative and exhaust emissions from on-road, off-road, and marine engines, recreational boats, vehicles, and equipment;

(5) an evaluation of the impacts of mid-level ethanol blends on the operation, durability, and performance of on-road, off-road, and marine engines, recreational boats, vehicles, and equipment; and

(6) an evaluation of the safety impacts of mid-level ethanol blends on consumers that own and operate off-road and marine engines, recreational boats, vehicles, or equipment.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to Congress a report describing the results of the study conducted under this section.

SEC. 143. PIPELINE FEASIBILITY STUDY.

(a) IN GENERAL.—The Secretary, in coordination with the Secretary of Agriculture and the Secretary of Transportation, shall conduct a study of the feasibility of the construction of dedicated ethanol pipelines.

(b) FACTORS.—In conducting the study, the Secretary shall consider—

(1) the quantity of ethanol production that would make dedicated pipelines economically viable;

(2) existing or potential barriers to dedicated ethanol pipelines, including technical, siting, financing, and regulatory barriers;

(3) market risk (including throughput risk) and means of mitigating the risk;

(4) regulatory, financing, and siting options that would mitigate risk in those areas and help ensure the construction of 1 or more dedicated ethanol pipelines;

(5) financial incentives that may be necessary for the construction of dedicated ethanol pipelines, including the return on equity that sponsors of the initial dedicated ethanol pipelines will require to invest in the pipelines;

(6) technical factors that may compromise the safe transportation of ethanol in pipelines, identifying remedial and preventative measures to ensure pipeline integrity; and

(7) such other factors as the Secretary considers appropriate.

(c) REPORT.—Not later than 15 months after the date of enactment of this Act, the Secretary shall submit to Congress a report describing the results of the study conducted under this section.

SEC. 144. STUDY OF OPTIMIZATION OF FLEXIBLE FUELED VEHICLES TO USE E–85 FUEL.

(a) IN GENERAL.—The Secretary shall conduct a study of methods of increasing the fuel efficiency of flexible fueled vehicles by optimizing flexible fueled vehicles to operate using E–85 fuel.

(b) REPORT.—Not later than 180 days after the date of enactment of this Act, the Secretary shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives a report that describes the results of the study, including any recommendations of the Secretary.

SEC. 145. STUDY OF CREDITS FOR USE OF RENEWABLE ELECTRICITY IN ELECTRIC VEHICLES.

(a) DEFINITION OF ELECTRIC VEHICLE.—In this section, the term ''electric vehicle'' means an electric motor vehicle (as defined in section 601 of the Energy Policy Act of 1992 (42 U.S.C. 13271)) for which the rechargeable storage battery—

(1) receives a charge directly from a source of electric current that is external to the vehicle; and

(2) provides a minimum of 80 percent of the motive power of the vehicle.

(b) STUDY.—The Secretary shall conduct a study on the feasibility of issuing credits under the program established under section 111(d) to electric vehicles powered by electricity produced from renewable energy sources.

(c) REPORT.—Not later than 18 months after the date of enactment of this Act, the Secretary shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives a report that describes the results of the study, including a description of—

(1) existing programs and studies on the use of renewable electricity as a means of powering electric vehicles; and

(2) alternatives for—

(A) designing a pilot program to determine the feasibility of using renewable electricity to power electric vehicles as an adjunct to a renewable fuels mandate;

(B) allowing the use, under the pilot program designed under subparagraph (A), of electricity generated from nuclear energy as an additional source of supply;

(C) identifying the source of electricity used to power electric vehicles; and

(D) equating specific quantities of electricity to quantities of renewable fuel under section 111(d).

SEC. 146. STUDY OF ENGINE DURABILITY ASSOCIATED WITH THE USE OF BIODIESEL.

(a) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the Secretary shall initiate a study on the effects of the use of biodiesel on engine durability.

(b) COMPONENTS.—The study under this section shall include—

(1) an assessment of whether the use of biodiesel in conventional diesel engines lessens engine durability; and

(2) an assessment of the effects referred to in subsection (a) with respect to biodiesel blends at varying concentrations, including—

(A) B5;

(B) B10;

(C) B20; and

(D) B30.

SEC. 147. STUDY OF INCENTIVES FOR RENEWABLE FUELS.

(a) STUDY.—The President shall conduct a study of the renewable fuels industry and markets in the United States, including—

(1) the costs to produce conventional and advanced biofuels;

(2) the factors affecting the future market prices for those biofuels, including world oil prices; and

(3) the financial incentives necessary to enhance, to the maximum extent practicable, the biofuels industry of the United States to reduce the dependence of the United States on foreign oil during calendar years 2011 through 2030.

(b) GOALS.—The study shall include an analysis of the options for financial incentives and the advantage and disadvantages of each option.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the President shall submit to Congress a report that describes the results of the study.

SEC. 148. STUDY OF STREAMLINED LIFECYCLE ANALYSIS TOOLS FOR THE EVALUATION OF RENEWABLE CARBON CONTENT OF BIOFUELS.

(a) IN GENERAL.—The Secretary, in consultation with the Secretary of Agriculture and the Administrator of the Environmental Protection Agency, shall conduct a study of—

(1) published methods for evaluating the lifecycle fossil and renewable carbon content of fuels, including conventional and advanced biofuels; and

(2) methods for performing simplified, streamlined lifecycle analyses of the fossil and renewable carbon content of biofuels.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives a report that describes the results of the study under subsection (a), including recommendations for a method for performing a simplified, streamlined lifecycle analysis of the fossil and renewable carbon content of biofuels that includes—

(1) carbon inputs to feedstock production; and

(2) carbon inputs to the biofuel production process, including the carbon associated with electrical and thermal energy inputs.

SEC. 149. STUDY OF THE ADEQUACY OF RAILROAD TRANSPORTATION OF DOMESTICALLY-PRODUCED RENEWABLE FUEL.

(a) STUDY.—

(1) IN GENERAL.—The Secretary, in consultation with the Secretary of Transportation, shall conduct a study of the adequacy of railroad transportation of domestically-produced renewable fuel.

(2) COMPONENTS.—In conducting the study under paragraph (1), the Secretary shall consider—

(A) the adequacy of, and appropriate location for, tracks that have sufficient capacity, and are in the appropriate condition, to move the necessary quantities of domestically-produced renewable fuel within the timeframes required by section 111;

(B) the adequacy of the supply of railroad tank cars, locomotives, and rail crews to move the necessary quantities of domestically-produced renewable fuel in a timely fashion;

(C)(i) the projected costs of moving the domestically-produced renewable fuel using railroad transportation; and

(ii) the impact of the projected costs on the marketability of the domestically-produced renewable fuel;

(D) whether there is adequate railroad competition to ensure—

(i) a fair price for the railroad transportation of domestically-produced renewable fuel; and

(ii) acceptable levels of service for railroad transportation of domestically-produced renewable fuel;

(E) any rail infrastructure capital costs that the railroads indicate should be paid by the producers or distributors of domestically-produced renewable fuel;

(F) whether Federal agencies have adequate legal authority to ensure a fair and reasonable transportation price and acceptable levels of service in cases in which the domestically-produced renewable fuel source does not have access to competitive rail service;

(G) whether Federal agencies have adequate legal authority to address railroad service problems that may be resulting in inadequate supplies of domestically-produced renewable fuel in any area of the United States; and

(H) any recommendations for any additional legal authorities for Federal agencies to ensure the reliable railroad transportation of adequate supplies of domestically-produced renewable fuel at reasonable prices.

(b) REPORT.—Not later than 180 days after the date of enactment of this Act, the Secretary shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives a report that describes the results of the study conducted under subsection (a).

SEC. 150. STUDY OF EFFECTS OF ETHANOL-BLENDED GASOLINE ON OFF ROAD VEHICLES.

(a) STUDY.—

(1) IN GENERAL.—The Secretary, in consultation with the Secretary of Transportation and the Administrator of the Environmental Protection Agency, shall conduct a study to determine the effects of ethanol-blended gasoline on off-road vehicles and recreational boats.

(2) EVALUATION.—The study shall include an evaluation of the operational, safety, durability, and environmental impacts of ethanol-blended gasoline on off-road and marine engines, recreational boats, and related equipment.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to Congress a report describing the results of the study.

TITLE II—ENERGY EFFICIENCY PROMOTION

SEC. 201. SHORT TITLE.

This title may be cited as the ''Energy Efficiency Promotion Act of 2007''.

SEC. 202. DEFINITION OF SECRETARY.

In this title, the term ''Secretary'' means the Secretary of Energy.

Subtitle A—Promoting Advanced Lighting Technologies

SEC. 211. ACCELERATED PROCUREMENT OF ENERGY EFFICIENT LIGHTING.

Section 553 of the National Energy Conservation Policy Act (42 U.S.C. 8259b) is amended by adding the following:

''(f) ACCELERATED PROCUREMENT OF ENERGY EFFICIENT LIGHTING.—

''(1) IN GENERAL.—Not later than October 1, 2013, in accordance with guidelines issued by the Secretary, all general purpose lighting in Federal buildings shall be Energy Star products or products designated under the Federal Energy Management Program.

''(2) GUIDELINES.—

''(A) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, the Secretary shall issue guidelines to carry out this subsection.

''(B) REPLACEMENT COSTS.—The guidelines shall take into consideration the costs of replacing all general service lighting and the reduced cost of operation and maintenance expected to result from such replacement.''.

SEC. 212. INCANDESCENT REFLECTOR LAMP EFFICIENCY STANDARDS.

(a) DEFINITIONS.—Section 321 of the Energy Policy and Conservation Act (42 U.S.C. 6291) is amended—

(1) in paragraph (30)(C)(ii)—

(A) in the matter preceding subclause (I)—

(i) by striking ''or similar bulb shapes (excluding ER or BR)'' and inserting ''ER, BR, BPAR, or similar bulb shapes''; and

(ii) by striking ''2.75'' and inserting ''2.25''; and

(B) by striking ''is either—'' and all that follows through subclause (II) and inserting ''has a rated wattage that is 40 watts or higher''; and

(2) by adding at the end the following:

''(52) BPAR INCANDESCENT REFLECTOR LAMP.—The term 'BPAR incandescent reflector lamp' means a reflector lamp as shown in figure C78.21–278 on page 32 of ANSI C78.21–2003.

''(53) BR INCANDESCENT REFLECTOR LAMP; BR30; BR40.—

''(A) BR INCANDESCENT REFLECTOR LAMP.—The term 'BR incandescent reflector lamp' means a reflector lamp that has—

''(i) a bulged section below the major diameter of the bulb and above the approximate baseline of the bulb, as shown in figure 1 (RB) on page 7 of ANSI C79.1–1994, incorporated by reference in section 430.22 of title 10, Code of Federal Regulations (as in effect on the date of enactment of this paragraph); and

''(ii) a finished size and shape shown in ANSI C78.21–1989, including the referenced reflective characteristics in part 7 of ANSI C78.21–1989, incorporated by reference in section 430.22 of title 10, Code of Federal Regulations (as in effect on the date of enactment of this paragraph).

''(B) BR30.—The term 'BR30' means a BR incandescent reflector lamp with a diameter of 30/8ths of an inch.

''(C) BR40.—The term 'BR40' means a BR incandescent reflector lamp with a diameter of 40/8ths of an inch.

''(54) ER INCANDESCENT REFLECTOR LAMP; ER30; ER40.—

''(A) ER INCANDESCENT REFLECTOR LAMP.—The term 'ER incandescent reflector lamp' means a reflector lamp that has—

''(i) an elliptical section below the major diameter of the bulb and above the approximate baseline of the bulb, as shown in figure 1 (RE) on page 7 of ANSI C79.1–1994, incorporated by reference in section 430.22 of title 10, Code of Federal Regulations (as in effect

on the date of enactment of this paragraph); and

''(ii) a finished size and shape shown in ANSI C78.21–1989, incorporated by reference in section 430.22 of title 10, Code of Federal Regulations (as in effect on the date of enactment of this paragraph).

''(B) ER30.—The term 'ER30' means an ER incandescent reflector lamp with a diameter of 30/8ths of an inch.

''(C) ER40.—The term 'ER40' means an ER incandescent reflector lamp with a diameter of 40/8ths of an inch.

''(55) R20 INCANDESCENT REFLECTOR LAMP.—The term 'R20 incandescent reflector lamp' means a reflector lamp that has a face diameter of approximately 2.5 inches, as shown in figure 1(R) on page 7 of ANSI C79.1–1994.''.

(b) STANDARDS FOR FLUORESCENT LAMPS AND INCANDESCENT REFLECTOR LAMPS.—Section 325(i) of the Energy Policy and Conservation Act (42 U.S.C. 6925(i)) is amended by striking paragraph (1) and inserting the following:

''(1) STANDARDS.—

''(A) DEFINITION OF EFFECTIVE DATE.—In this paragraph (other than subparagraph (D)), the term 'effective date' means, with respect to each type of lamp specified in a table contained in subparagraph (B), the last day of the period of months corresponding to that type of lamp (as specified in the table) that follows October 24, 1992.

''(B) MINIMUM STANDARDS.—Each of the following general service fluorescent lamps and incandescent reflector lamps manufactured after the effective date specified in the tables contained in this paragraph shall meet or exceed the following lamp efficacy and CRI standards:

''FLUORESCENT LAMPS

Lamp Type	Nominal Lamp Wattage	Minimum CRI	Minimum Average Lamp Efficacy (LPW)	Effective Date (Period of Months)
4-foot medium bi-pin	>35 W	69	75.0	36
	≤35 W	45	75.9	36
2-foot U-shaped	>35 W	69	68.0	36
	≤35 W	45	64.0	36
8-foot slimline	65 W	69	80.0	18
	≤65 W	45	80.0	18
8-foot high output	>100 W	69	80.0	18
	≤100 W	45	80.0	18

''INCANDESCENT REFLECTOR LAMPS

Nominal Lamp Wattage	Minimum Average Lamp Efficacy (LPW)	Effective Date (Period of Months)
40–50	10.5	36
51–66	11.0	36
67–85	12.5	36
86–115	14.0	36
116–155	14.5	36
156–205	15.0	36

''(C) EXEMPTIONS.—The standards specified in subparagraph (B) shall not apply to the following types of incandescent reflector lamps:

''(i) Lamps rated at 50 watts or less that are ER30, BR30, BR40, or ER40 lamps.

''(ii) Lamps rated at 65 watts that are BR30, BR40, or ER40 lamps.

''(iii) R20 incandescent reflector lamps rated 45 watts or less.

''(D) EFFECTIVE DATES.—

''(i) ER, BR, AND BPAR LAMPS.—The standards specified in subparagraph (B) shall apply with respect to ER incandescent reflector lamps, BR incandescent reflector lamps, BPAR incandescent reflector lamps, and similar bulb shapes on and after January 1, 2008.

''(ii) LAMPS BETWEEN 2.25–2.75 INCHES IN DIAMETER.—The standards specified in subparagraph (B) shall apply with respect to incandescent reflector lamps with a diameter of more than 2.25 inches, but not more than 2.75 inches, on and after January 1, 2008.''.

SEC. 213. BRIGHT TOMORROW LIGHTING PRIZES.

(a) ESTABLISHMENT.—Not later than 1 year after the date of enactment of this Act, as part of the program carried out under section 1008 of the Energy Policy Act of 2005 (42 U.S.C. 16396), the Secretary shall establish and award Bright Tomorrow Lighting Prizes for solid state lighting in accordance with this section.

(b) PRIZE SPECIFICATIONS.—

(1) 60-WATT INCANDESCENT REPLACEMENT LAMP PRIZE.—The Secretary shall award a 60-Watt Incandescent Replacement Lamp Prize to an entrant that produces a solid-state light package simultaneously capable of—

(A) producing a luminous flux greater than 900 lumens;

(B) consuming less than or equal to 10 watts;

(C) having an efficiency greater than 90 lumens per watt;

(D) having a color rendering index greater than 90;

(E) having a correlated color temperature of not less than 2,750, and not more than 3,000, degrees Kelvin;

(F) having 70 percent of the lumen value under subparagraph (A) exceeding 25,000 hours under typical conditions expected in residential use;

(G) having a light distribution pattern similar to a soft 60-watt incandescent A19 bulb;

(H) having a size and shape that fits within the maximum dimensions of an A19 bulb in accordance with American National Standards Institute standard C78.20–2003, figure C78.20–211;

(I) using a single contact medium screw socket; and

(J) mass production for a competitive sales commercial market satisfied by the submission of 10,000 such units equal to or exceeding the criteria described in subparagraphs (A) through (I).

(2) PAR TYPE 38 HALOGEN REPLACEMENT LAMP PRIZE.—The Secretary shall award a Parabolic Aluminized Reflector Type 38 Halogen Replacement Lamp Prize (referred to in this section as the ''PAR Type 38 Halogen Replacement Lamp Prize'') to an entrant that produces a solid-state-light package simultaneously capable of—

(A) producing a luminous flux greater than or equal to 1,350 lumens;

(B) consuming less than or equal to 11 watts;

(C) having an efficiency greater than 123 lumens per watt;

(D) having a color rendering index greater than or equal to 90;

(E) having a correlated color coordinate temperature of not less than 2,750, and not more than 3,000, degrees Kelvin;

(F) having 70 percent of the lumen value under subparagraph (A) exceeding 25,000 hours under typical conditions expected in residential use;

(G) having a light distribution pattern similar to a PAR 38 halogen lamp;

(H) having a size and shape that fits within the maximum dimensions of a PAR 38 halogen lamp in accordance with American National Standards Institute standard C78–21–2003, figure C78.21–238;

(I) using a single contact medium screw socket; and

(J) mass production for a competitive sales commercial market satisfied by the submission of 10,000 such units equal to or exceeding the criteria described in subparagraphs (A) through (I).

(3) TWENTY-FIRST CENTURY LAMP PRIZE.—The Secretary shall award a Twenty-First Century Lamp Prize to an entrant that produces a solid-state-light-light capable of—

(A) producing a light output greater than 1,200 lumens;

(B) having an efficiency greater than 150 lumens per watt;

(C) having a color rendering index greater than 90;

(D) having a color coordinate temperature between 2,800 and 3,000 degrees Kelvin; and

(E) having a lifetime exceeding 25,000 hours.

(c) PRIVATE FUNDS.—The Secretary may accept and use funding from private sources as part of the prizes awarded under this section.

(d) TECHNICAL REVIEW.—The Secretary shall establish a technical review committee composed of non-Federal officers to review entrant data submitted under this section to determine whether the data meets the prize specifications described in subsection (b).

(e) THIRD PARTY ADMINISTRATION.—The Secretary may competitively select a third party to administer awards under this section.

(f) AWARD AMOUNTS.—Subject to the availability of funds to carry out this section, the amount of—

(1) the 60-Watt Incandescent Replacement Lamp Prize described in subsection (b)(1) shall be $10,000,000;

(2) the PAR Type 38 Halogen Replacement Lamp Prize described in subsection (b)(2) shall be $5,000,000; and

(3) the Twenty-First Century Lamp Prize described in subsection (b)(3) shall be $5,000,000.

(g) FEDERAL PROCUREMENT OF SOLID-STATE-LIGHTS.—

(1) 60-WATT INCANDESCENT REPLACEMENT.—Subject to paragraph (3), as soon as practicable after the successful award of the 60-Watt Incandescent Replacement Lamp Prize under subsection (b)(1), the Secretary (in consultation with the Administrator of General Services) shall develop governmentwide Federal purchase guidelines with a goal of replacing the use of 60-watt incandescent lamps in Federal Government buildings with a solid-state-light package described in subsection (b)(1) by not later than the date that is 5 years after the date the award is made.

(2) PAR 38 HALOGEN REPLACEMENT LAMP REPLACEMENT.—Subject to paragraph (3), as soon as practicable after the successful award of the PAR Type 38 Halogen Replacement Lamp Prize under subsection (b)(2), the Secretary (in consultation with the Administrator of General Services) shall develop governmentwide Federal purchase guidelines with the goal of replacing the use of PAR 38 halogen lamps in Federal Government buildings with a solid-state-light package described in subsection (b)(2) by not later than the date that is 5 years after the date the award is made.

(3) WAIVERS.—

(A) IN GENERAL.—The Secretary or the Administrator of General Services may waive the application of paragraph (1) or (2) if the Secretary or Administrator determines that the return on investment from the purchase of a solid-state-light package described in paragraph (1) or (2) of subsection (b), respectively, is cost prohibitive.

(B) REPORT OF WAIVER.—If the Secretary or Administrator waives the application of paragraph (1) or (2), the Secretary or Administrator, respectively, shall submit to Congress an annual report that describes the waiver and provides a detailed justification for the waiver.

(h) BRIGHT LIGHT TOMORROW AWARD FUND.—

(1) ESTABLISHMENT.—There is established in the United States Treasury a Bright Light Tomorrow permanent fund without fiscal year limitation to award prizes under paragraphs (1), (2), and (3) of subsection (b).

(2) SOURCES OF FUNDING.—The fund established under paragraph (1) shall accept—

(A) fiscal year appropriations; and

(B) private contributions authorized under subsection (c).

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

SEC. 214. SENSE OF SENATE CONCERNING EFFICIENT LIGHTING STANDARDS.

(a) FINDINGS.—The Senate finds that—

(1) there are approximately 4,000,000,000 screw-based sockets in the United States that contain traditional, energy-inefficient, incandescent light bulbs;

(2) incandescent light bulbs are based on technology that is more than 125 years old;

(3) there are radically more efficient lighting alternatives in the market, with the promise of even more choices over the next several years;

(4) national policy can support a rapid substitution of new, energy-efficient light bulbs for the less efficient products in widespread use; and,

(5) transforming the United States market to use of more efficient lighting technologies can—

(A) reduce electric costs in the United States by more than $18,000,000,000 annually;

(B) save the equivalent electricity that is produced by 80 base load coal-fired power plants; and

(C) reduce fossil fuel related emissions by approximately 158,000,000 tons each year.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Senate should—

(1) pass a set of mandatory, technology-neutral standards to establish firm energy efficiency performance targets for lighting products;

(2) ensure that the standards become effective within the next 10 years; and

(3) in developing the standards—

(A) establish the efficiency requirements to ensure that replacement lamps will provide consumers with the same quantity of light while using significantly less energy;

(B) ensure that consumers will continue to have multiple product choices, including energy-saving halogen, incandescent, compact fluorescent, and LED light bulbs; and

(C) work with industry and key stakeholders on measures that can assist consumers and businesses in making the important transition to more efficient lighting.

SEC. 215. RENEWABLE ENERGY CONSTRUCTION GRANTS.

(a) DEFINITIONS.—In this section:

(1) ALASKA SMALL HYDROELECTRIC POWER.—The term ''Alaska small hydroelectric power'' means power that—

(A) is generated—

(i) in the State of Alaska;

(ii) without the use of a dam or impoundment of water; and

(iii) through the use of—

(I) a lake tap (but not a perched alpine lake); or

(II) a run-of-river screened at the point of diversion; and

(B) has a nameplate capacity rating of a wattage that is not more than 15 megawatts.

(2) ELIGIBLE APPLICANT.—The term ''eligible applicant'' means any—

(A) governmental entity;

(B) private utility;

(C) public utility;

(D) municipal utility;

(E) cooperative utility;

(F) Indian tribes; and

(G) Regional Corporation (as defined in section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602)).

(3) OCEAN ENERGY.—

(A) INCLUSIONS.—The term ''ocean energy'' includes current, wave, and tidal energy.

(B) EXCLUSION.—The term ''ocean energy'' excludes thermal energy.

(4) RENEWABLE ENERGY PROJECT.—The term ''renewable energy project'' means a project—

(A) for the commercial generation of electricity; and

(B) that generates electricity from—

(i) solar, wind, or geothermal energy or ocean energy;

(ii) biomass (as defined in section 203(b) of the Energy Policy Act of 2005 (42 U.S.C. 15852(b)));

(iii) landfill gas; or

(iv) Alaska small hydroelectric power.

(b) RENEWABLE ENERGY CONSTRUCTION GRANTS.—

(1) IN GENERAL.—The Secretary shall use amounts appropriated under this section to make grants for use in carrying out renewable energy projects.

(2) CRITERIA.—Not later than 180 days after the date of enactment of this Act, the Secretary shall set forth criteria for use in awarding grants under this section.

(3) APPLICATION.—To receive a grant from the Secretary under paragraph (1), an eligible applicant shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including a written assurance that—

(A) all laborers and mechanics employed by contractors or subcontractors during construction, alteration, or repair that is financed, in whole or in part, by a grant under this section shall be paid wages at rates not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor in accordance with sections 3141–3144, 3146, and 3147 of title 40, United States Code; and

(B) the Secretary of Labor shall, with respect to the labor standards described in this paragraph, have the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (5 U.S.C. App.) and section 3145 of title 40, United States Code.

(4) NON-FEDERAL SHARE.—Each eligible applicant that receives a grant under this subsection shall contribute to the total cost of the renewable energy project constructed by the eligible applicant an amount not less than 50 percent of the total cost of the project.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Fund such sums as are necessary to carry out this section.

Subtitle B—Expediting New Energy Efficiency Standards

SEC. 221. DEFINITION OF ENERGY CONSERVATION STANDARD.

Section 321 of the Energy Policy and Conservation Act (42 U.S.C. 6291) is amended by striking paragraph (6) and inserting the following:

''(6) ENERGY CONSERVATION STANDARD.—

''(A) IN GENERAL.—The term 'energy conservation standard' means 1 or more performance standards that prescribe a minimum level of energy efficiency or a maximum quantity of energy use and, in the case of a showerhead, faucet, water closet, urinal, clothes washer, and dishwasher, water use, for a covered product, determined in accordance with test procedures prescribed under section 323.

''(B) INCLUSIONS.—The term 'energy conservation standard' includes—

''(i) 1 or more design requirements, as part of a consensus agreement under section 325(hh); and

''(ii) any other requirements that the Secretary may prescribe under subsections (o) and (r) of section 325.

''(C) EXCLUSION.—The term 'energy conservation standard' does not include a performance standard for a component of a finished covered product.''.

SEC. 222. REGIONAL EFFICIENCY STANDARDS FOR HEATING AND COOLING PRODUCTS.

(a) IN GENERAL.—Section 327 of the Energy Policy and Conservation Act (42 U.S.C. 6297) is amended—

(1) by redesignating subsections (e), (f), and (g) as subsections (f), (g), and (h), respectively; and

(2) by inserting after subsection (d) the following:

''(e) REGIONAL EFFICIENCY STANDARDS FOR HEATING AND COOLING PRODUCTS.—

''(1) IN GENERAL.—

''(A) DETERMINATION.—The Secretary may determine, after notice and comment, that more stringent Federal energy conservation standards are appropriate for furnaces, boilers, or central air conditioning equipment than applicable Federal energy conservation standards.

''(B) FINDING.—The Secretary may determine that more stringent standards are appropriate for up to 2 different regions only after finding that the regional standards—

''(i) would contribute to energy savings that are substantially greater than that of a single national energy standard; and

''(ii) are economically justified.

''(C) REGIONS.—On making a determination described in subparagraph (B), the Secretary shall establish the regions so that the more stringent standards would achieve the maximum level of energy savings that is technologically feasible and economically justified.

''(D) FACTORS.—In determining the appropriateness of 1 or more regional standards for furnaces, boilers, and central and commercial air conditioning equipment, the Secretary shall consider all of the factors described in paragraphs (1) through (4) of section 325(o).

''(2) STATE PETITION.—After a determination made by the Secretary under paragraph (1), a State may petition the Secretary requesting a rule that a State regulation that establishes a standard for furnaces, boilers, or central air conditioners become effective

at a level determined by the Secretary to be appropriate for the region that includes the State.

''(3) RULE.—Subject to paragraphs (4) through (7), the Secretary may issue the rule during the period described in paragraph (4) and after consideration of the petition and the comments of interested persons.

''(4) PROCEDURE.—

''(A) NOTICE.—The Secretary shall provide notice of any petition filed under paragraph (2) and afford interested persons a reasonable opportunity to make written comments, including rebuttal comments, on the petition.

''(B) DECISION.—Except as provided in subparagraph (C), during the 180-day period beginning on the date on which the petition is filed, the Secretary shall issue the requested rule or deny the petition.

''(C) EXTENSION.—The Secretary may publish in the Federal Register a notice—

''(i) extending the period to a specified date, but not longer than 1 year after the date on which the petition is filed; and

''(ii) describing the reasons for the delay.

''(D) DENIALS.—If the Secretary denies a petition under this subsection, the Secretary shall publish in the Federal Register notice of, and the reasons for, the denial.

''(5) FINDING OF SIGNIFICANT BURDEN ON MANUFACTURING, MARKETING, DISTRIBUTION, SALE, OR SERVICING OF COVERED PRODUCT ON NATIONAL BASIS.—

''(A) IN GENERAL.—The Secretary may not issue a rule under this subsection if the Secretary finds (and publishes the finding) that interested persons have established, by a preponderance of the evidence, that the State regulation will significantly burden manufacturing, marketing, distribution, sale, or servicing of a covered product on a national basis.

''(B) FACTORS.—In determining whether to make a finding described in subparagraph (A), the Secretary shall evaluate all relevant factors, including—

''(i) the extent to which the State regulation will increase manufacturing or distribution costs of manufacturers, distributors, and others;

''(ii) the extent to which the State regulation will disadvantage smaller manufacturers, distributors, or dealers or lessen competition in the sale of the covered product in the State; and

''(iii) the extent to which the State regulation would cause a burden to manufacturers to redesign and produce the covered product type (or class), taking into consideration the extent to which the regulation would result in a reduction—

''(I) in the current models, or in the projected availability of models, that could be shipped on the effective date of the regulation to the State and within the United States; or

''(II) in the current or projected sales volume of the covered product type (or class) in the State and the United States.

''(6) APPLICATION.—No State regulation shall become effective under this subsection with respect to any covered product manufactured before the date specified in the determination made by the Secretary under paragraph (1).

''(7) PETITION TO WITHDRAW FEDERAL RULE FOLLOWING AMENDMENT OF FEDERAL STANDARD.—

''(A) IN GENERAL.—If a State has issued a rule under paragraph (3) with respect to a covered product and subsequently a Federal energy conservation standard concerning the product is amended pursuant to section 325, any person subject to the State regulation may file a petition with the Secretary requesting the Secretary to withdraw the rule issued under paragraph (3) with respect to the product in the State.

''(B) BURDEN OF PROOF.—The Secretary shall consider the petition in accordance with paragraph (5) and the burden shall be on the petitioner to show by a preponderance of the evidence that the rule received by the State under paragraph (3) should be withdrawn as a result of the amendment to the Federal standard.

''(C) WITHDRAWAL.—If the Secretary determines that the petitioner has shown that the rule issued by the Secretary under paragraph (3) should be withdrawn in accordance with subparagraph (B), the Secretary shall withdraw the rule.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 327 of the Energy Policy and Conservation Act (42 U.S.C. 6297) is amended—

(A) in subsection (b)—

(i) in paragraph (2), by striking ''subsection (e)'' and inserting ''subsection (f)''; and

(ii) in paragraph (3)—

(I) by striking ''subsection (f)(1)'' and inserting ''subsection (g)(1)''; and

(II) by striking ''subsection (f)(2)'' and inserting ''subsection (g)(2)''; and

(B) in subsection (c)(3), by striking ''subsection (f)(3)'' and inserting ''subsection (g)(3)''.

(2) Section 345(b)(2) of the Energy Policy and Conservation Act (42 U.S.C. 6316(b)(2)) is amended by adding at the end the following:

''(E) RELATIONSHIP TO CERTAIN STATE REGULATIONS.—Notwithstanding subparagraph (A), a standard prescribed or established under section 342(a) with respect to the equipment specified in subparagraphs (B), (C), (D), (H), (I), and (J) of section 340 shall not supersede a State regulation that is effective under the terms, conditions, criteria, procedures, and other requirements of section 327(e).''.

SEC. 223. FURNACE FAN RULEMAKING.

Section 325(f)(3) of the Energy Policy and Conservation Act (42 U.S.C. 6295(f)(3)) is amended by adding at the end the following:

''(E) FINAL RULE.—

''(i) IN GENERAL.—The Secretary shall publish a final rule to carry out this subsection not later than December 31, 2014.

''(ii) CRITERIA.—The standards shall meet the criteria established under subsection (o).''.

SEC. 224. EXPEDITED RULEMAKINGS.

Section 325 of the Energy Policy and Conservation Act (42 U.S.C. 6295) is amended by adding at the end the following:

''(hh) EXPEDITED RULEMAKING FOR CONSENSUS STANDARDS.—

''(1) IN GENERAL.—The Secretary shall conduct an expedited rulemaking based on an energy conservation standard or test procedure recommended by interested persons, if—

''(A) the interested persons (demonstrating significant and broad support from manufacturers of a covered product, States, utilities, and environmental, energy efficiency, and consumer advocates) submit a joint comment or petition recommending a consensus energy conservation standard or test procedure; and

''(B) the Secretary determines that the joint comment or petition includes evidence that (assuming no other evidence were considered) provides an adequate basis for determining that the proposed consensus energy conservation standard or test procedure proposed in the joint comment or petition complies with the provisions and criteria of this Act (including subsection (o)) that apply to the type or class of covered products covered by the joint comment or petition.

''(2) PROCEDURE.—

''(A) IN GENERAL.—Notwithstanding subsection (p) or section 336(a), if the Secretary receives a joint comment or petition that meets the criteria described in paragraph (1), the Secretary shall conduct an expedited rulemaking with respect to the standard or test procedure proposed in the joint comment or petition in accordance with this paragraph.

''(B) ADVANCED NOTICE OF PROPOSED RULEMAKING.—If no advanced notice of proposed rulemaking has been issued under subsection (p)(1) with respect to the rulemaking covered by the joint comment or petition, the requirements of subsection (p) with respect to the issuance of an advanced notice of proposed rulemaking shall not apply.

''(C) PUBLICATION OF DETERMINATION.—Not later than 60 days after receipt of a joint comment or petition described in paragraph (1)(A), the Secretary shall publish a description of a determination as to whether the proposed standard or test procedure covered by the joint comment or petition meets the criteria described in paragraph (1).

''(D) PROPOSED RULE.—

''(i) PUBLICATION.—If the Secretary determines that the proposed consensus standard or test procedure covered by the joint comment or petition meets the criteria described in paragraph (1), not later than 30 days after the determination, the Secretary shall publish a proposed rule proposing the consensus standard or test procedure covered by the joint comment or petition.

''(ii) PUBLIC COMMENT PERIOD.—Notwithstanding paragraphs (2) and (3) of subsection (p), the public comment period for the proposed rule shall be the 30–day period beginning on the date of the publication of the proposed rule in the Federal Register.

''(iii) PUBLIC HEARING.—Notwithstanding section 336(a), the Secretary may waive the holding of a public hearing with respect to the proposed rule.

''(E) FINAL RULE.—Notwithstanding subsection (p)(4), the Secretary—

''(i) may publish a final rule at any time after the 60-day period beginning on the date of publication of the proposed rule in the Federal Register; and

''(ii) shall publish a final rule not later than 120 days after the date of publication of the proposed rule in the Federal Register.''.

SEC. 225. PERIODIC REVIEWS.

(a) TEST PROCEDURES.—Section 323(b)(1) of the Energy Policy and Conservation Act (42 U.S.C. 6293(b)(1)) is amended by striking ''(1)'' and all that follows through the end of the paragraph and inserting the following:

''(1) TEST PROCEDURES.—

''(A) AMENDMENT.—At least once every 7 years, the Secretary shall review test procedures for all covered products and—

''(i) amend test procedures with respect to any covered product, if the Secretary determines that amended test procedures would more accurately or fully comply with the requirements of paragraph (3); or

''(ii) publish notice in the Federal Register of any determination not to amend a test procedure.''.

(b) ENERGY CONSERVATION STANDARDS.—Section 325 of the Energy Policy and Conservation Act (42 U.S.C. 6295) is amended by striking subsection (m) and inserting the following:

''(m) FURTHER RULEMAKING.—

''(1) IN GENERAL.—After issuance of the last final rules required for a product under this part, the Secretary shall, not later than 5 years after the date of issuance of a final rule establishing or amending a standard or determining not to amend a standard, publish a final rule to determine whether standards for the product should be amended based on the criteria described in subsection (n)(2).

''(2) ANALYSIS.—Prior to publication of the determination, the Secretary shall publish a

notice of availability describing the analysis of the Department and provide opportunity for written comment.

''(3) FINAL RULE.—Not later than 3 years after a positive determination under paragraph (1), the Secretary shall publish a final rule amending the standard for the product.

''(4) APPLICATION OF AMENDMENT.—An amendment prescribed under this subsection shall apply to a product manufactured after a date that is 5 years after—

''(A) the effective date of the previous amendment made pursuant to this part; or

''(B) if the previous final rule published under this part did not amend the standard, the earliest date by which a previous amendment could have been in effect, except that in no case may an amended standard apply to products manufactured within 3 years after publication of the final rule establishing a standard.''.

(c) STANDARDS.—Section 342(a) of the Energy Policy and Conservation Act (42 U.S.C. 6313(a)) is amended by striking paragraph (6) and inserting the following:

''(6) AMENDED ENERGY EFFICIENCY STANDARDS.—

''(A) ANALYSIS OF POTENTIAL ENERGY SAVINGS.—If ASHRAE/IES Standard 90.1 is amended with respect to any small commercial package air conditioning and heating equipment, large commercial package air conditioning and heating equipment, packaged terminal central and commercial air conditioners, packaged terminal heat pumps, warm-air furnaces, packaged boilers, storage water heaters, instantaneous water heaters, or unfired hot water storage tanks, not later than 180 days after the amendment of the standard, the Secretary shall publish in the Federal Register for public comment an analysis of the energy savings potential of amended energy efficiency standards.

''(B) AMENDED UNIFORM NATIONAL STANDARD FOR PRODUCTS.—

''(i) IN GENERAL.—Except as provided in clause (ii), not later than 18 months after the date of publication of the amendment to the ASHRAE/IES Standard 90.1 for a product described in subparagraph (A), the Secretary shall establish an amended uniform national standard for the product at the minimum level for the applicable effective date specified in the amended ASHRAE/IES Standard 90.1.

''(ii) MORE STRINGENT STANDARD.—Clause (i) shall not apply if the Secretary determines, by rule published in the Federal Register, and supported by clear and convincing evidence, that adoption of a uniform national standard more stringent than the amended ASHRAE/IES Standard 90.1 for the product would result in significant additional conservation of energy and is technologically feasible and economically justified.

''(C) RULE.—If the Secretary makes a determination described in subparagraph (B)(ii) for a product described in subparagraph (A), not later than 30 months after the date of publication of the amendment to the ASHRAE/IES Standard 90.1 for the product, the Secretary shall issue the rule establishing the amended standard.

''(D) AMENDMENT OF STANDARDS.—

''(i) IN GENERAL.—After issuance of the most recent final rule for a product under this subsection, not later than 5 years after the date of issuance of a final rule establishing or amending a standard or determining not to amend a standard, the Secretary shall publish a final rule to determine whether standards for the product should be amended based on the criteria described in subparagraph (A).

''(ii) ANALYSIS.—Prior to publication of the determination, the Secretary shall publish a notice of availability describing the analysis of the Department and provide opportunity for written comment.

''(iii) FINAL RULE.—Not later than 3 years after a positive determination under clause (i), the Secretary shall publish a final rule amending the standard for the product.''.

(d) TEST PROCEDURES.—Section 343(a) of the Energy Policy and Conservation Act (42 U.S.C. 6313(a)) is amended by striking ''(a)'' and all that follows through the end of paragraph (1) and inserting the following:

''(a) PRESCRIPTION BY SECRETARY; REQUIREMENTS.—

''(1) TEST PROCEDURES.—

''(A) AMENDMENT.—At least once every 7 years, the Secretary shall conduct an evaluation of each class of covered equipment and—

''(i) if the Secretary determines that amended test procedures would more accurately or fully comply with the requirements of paragraphs (2) and (3), shall prescribe test procedures for the class in accordance with this section; or

''(ii) shall publish notice in the Federal Register of any determination not to amend a test procedure.''.

(e) EFFECTIVE DATE.—The amendments made by subsections (b) and (c) take effect on January 1, 2012.

SEC. 226. ENERGY EFFICIENCY LABELING FOR CONSUMER PRODUCTS.

(a) IN GENERAL.—Not later than 2 years after the date of enactment of this Act or not later than 18 months after test procedures have been developed for a consumer electronics product category described in subsection (b), whichever is later, the Federal Trade Commission, in consultation with the Secretary and the Administrator of the Environmental Protection Agency shall promulgate regulations, in accordance with the Energy Star program and in a manner that minimizes, to the maximum extent practicable, duplication with respect to the requirements of that program and other national and international energy labeling programs, to add the consumer electronics product categories described in subsection (b) to the Energy Guide labeling program of the Commission.

(b) CONSUMER ELECTRONICS PRODUCT CATEGORIES.—The consumer electronics product categories referred to in subsection (a) are the following:

(1) Televisions.

(2) Personal computers.

(3) Cable or satellite set-top boxes.

(4) Stand-alone digital video recorder boxes.

(5) Computer monitors.

(c) LABEL PLACEMENT.—The regulations shall include specific requirements for each product on the placement of Energy Guide labels.

(d) DEADLINE FOR LABELING.—Not later than 1 year after the date of promulgation of regulations under subsection (a), the Commission shall require labeling electronic products described in subsection (b) in accordance with this section (including the regulations).

(e) AUTHORITY TO INCLUDE ADDITIONAL PRODUCT CATEGORIES.—The Commission may add additional product categories to the Energy Guide labeling program if the product categories include products, as determined by the Commission—

(1) that have an annual energy use in excess of 100 kilowatt hours per year; and

(2) for which there is a significant difference in energy use between the most and least efficient products.

SEC. 227. RESIDENTIAL BOILER EFFICIENCY STANDARDS.

Section 325(f) of the Energy Policy and Conservation Act (42 U.S.C. 6295(f)) is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following:

''(3) BOILERS.—

''(A) IN GENERAL.—Subject to subparagraphs (B) and (C), boilers manufactured on or after September 1, 2012, shall meet the following requirements: ″

Boiler Type	Minimum Annual Fuel Utilization Efficiency	Design Requirements
Gas Hot Water	82%	No Constant Burning Pilot, Automatic Means for Adjusting Water Temperature
Gas Steam	80%	No Constant Burning Pilot
Oil Hot Water	84%	Automatic Means for Adjusting Temperature
Oil Steam	82%	None
Electric Hot Water	None	Automatic Means for Adjusting Temperature
Electric Steam	None	None

''(B) PILOTS.—The manufacturer shall not equip gas hot water or steam boilers with constant-burning pilot lights.

''(C) AUTOMATIC MEANS FOR ADJUSTING WATER TEMPERATURE.—

''(i) IN GENERAL.—The manufacturer shall equip each gas, oil, and electric hot water boiler (other than a boiler equipped with tankless domestic water heating coils) with an automatic means for adjusting the temperature of the water supplied by the boiler to ensure that an incremental change in inferred heat load produces a corresponding incremental change in the temperature of water supplied.

''(ii) CERTAIN BOILERS.—For a boiler that fires at 1 input rate, the requirements of this subparagraph may be satisfied by providing an automatic means that allows the burner or heating element to fire only when the means has determined that the inferred heat load cannot be met by the residual heat of the water in the system.

''(iii) NO INFERRED HEAT LOAD.—When there is no inferred heat load with respect to a hot water boiler, the automatic means described in clauses (i) and (ii) shall limit the temperature of the water in the boiler to not more than 140 degrees Fahrenheit.

''(iv) OPERATION.—A boiler described in clause (i) or (ii) shall be operable only when the automatic means described in clauses (i), (ii), and (iii) is installed.''.

SEC. 228. TECHNICAL CORRECTIONS.

(a) DEFINITION OF FLUORESCENT LAMP.—Section 321(30)(B)(viii) of the Energy Policy and Conservation Act (42 U.S.C. 6291(30)(B)(viii)) is amended by striking ''82'' and inserting ''87''.

(b) STANDARDS FOR COMMERCIAL PACKAGE AIR CONDITIONING AND HEATING EQUIPMENT.—Section 342(a)(1) of the Energy Policy and Conservation Act (42 U.S.C. 6313(a)(1)) is amended in the matter preceding subparagraph (A) by striking ''but before January 1, 2010,''.

(c) MERCURY VAPOR LAMP BALLASTS.—

(1) DEFINITIONS.—Section 321 of the Energy Policy and Conservation Act (42 U.S.C. 6291) (as amended by section 212(a)(2)) is amended—

(A) in paragraph (46)(A)—

(i) in clause (i), by striking ''bulb'' and inserting ''the arc tube''; and

(ii) in clause (ii), by striking ''has a bulb'' and inserting ''wall loading is'';

(B) in paragraph (47)(A), by striking ''operating at a partial'' and inserting ''typically operating at a partial vapor'';

(C) in paragraph (48), by inserting ''intended for general illumination'' after ''lamps''; and

(D) by adding at the end the following:

''(56) The term 'specialty application mercury vapor lamp ballast' means a mercury vapor lamp ballast that—

''(A) is designed and marketed for medical use, optical comparators, quality inspection, industrial processing, or scientific use, including fluorescent microscopy, ultraviolet curing, and the manufacture of microchips, liquid crystal displays, and printed circuit boards; and

''(B) in the case of a specialty application mercury vapor lamp ballast, is labeled as a specialty application mercury vapor lamp ballast.''.

(2) STANDARD SETTING AUTHORITY.—Section 325(ee) of the Energy Policy and Conservation Act (42 U.S.C. 6295(ee)) is amended by inserting ''(other than specialty application mercury vapor lamp ballasts)'' after ''ballasts''.

SEC. 229. ELECTRIC MOTOR EFFICIENCY STANDARDS.

(a) DEFINITIONS.—Section 340(13) of the Energy Policy and Conservation Act (42 U.S.C. 6311(13)) is amended by striking subparagraph (A) and inserting the following:

''(A)(i) The term 'electric motor' means—

''(I) a general purpose electric motor—subtype I; and

''(II) a general purpose electric motor—subtype II.

''(ii) The term 'general purpose electric motor—subtype I' means any motor that is considered a general purpose motor under section 431.12 of title 10, Code of Federal Regulations (or successor regulations).

''(iii) The term 'general purpose electric motor—subtype II' means a motor that, in addition to the design elements for a general purpose electric motor—subtype I, incorporates the design elements (as established in National Electrical Manufacturers Association MG–1 (2006)) for any of the following:

''(I) A U–Frame Motor.

''(II) A Design C Motor.

''(III) A close-coupled pump motor.

''(IV) A footless motor.

''(V) A vertical solid shaft normal thrust (tested in a horizontal configuration).

''(VI) An 8-pole motor.

''(VII) A poly-phase motor with voltage of not more than 600 volts (other than 230 or 460 volts).''.

(b) STANDARDS.—Section 342(b) of the Energy Policy and Conservation Act (42 U.S.C. 6313(13)) is amended by striking paragraph (1) and inserting the following:

''(1) STANDARDS.—

''(A) GENERAL PURPOSE ELECTRIC MOTORS—SUBTYPE I.—

''(i) IN GENERAL.—Except as otherwise provided in this subparagraph, a general purpose electric motor—subtype I with a power rating of not less than 1, and not more than 200, horsepower manufactured (alone or as a component of another piece of equipment) after the 3-year period beginning on the date of enactment of this subparagraph, shall have a nominal full load efficiency established in Table 12–12 of National Electrical Manufacturers Association (referred to in this paragraph as 'NEMA') MG–1 (2006).

''(ii) FIRE PUMP MOTORS.—A fire pump motor shall have a nominal full load efficiency established in Table 12–11 of NEMA MG–1 (2006).

''(B) GENERAL PURPOSE ELECTRIC MOTORS—SUBTYPE II.—A general purpose electric motor—subtype II with a power rating of not less than 1, and not more than 200, horsepower manufactured (alone or as a component of another piece of equipment) after the 3-year period beginning on the date of enactment of this subparagraph, shall have a nominal full load efficiency established in Table 12–11 of NEMA MG–1 (2006).

''(C) DESIGN B, GENERAL PURPOSE ELECTRIC MOTORS.—A NEMA Design B, general purpose electric motor with a power rating of not less than 201, and not more than 500, horsepower manufactured (alone or as a component of another piece of equipment) after the 3-year period beginning on the date of the enactment of this subparagraph shall have a nominal full load efficiency established in Table 12–11 of NEMA MG–1 (2006).''.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on the date that is 3 years after the date of enactment of this Act.

SEC. 230. ENERGY STANDARDS FOR HOME APPLIANCES.

(a) DEFINITION OF ENERGY CONSERVATION STANDARD.—Section 321(6)(A) of the Energy Policy and Conservation Act (42 U.S.C. 6291(6)(A)) is amended by striking ''or, in the case of'' and inserting ''and, in the case of residential clothes washers, residential dishwashers,''.

(b) REFRIGERATORS, REFRIGERATOR-FREEZERS, AND FREEZERS.—Section 325(b) of the Energy Policy and Conservation Act (42 U.S.C. 6295(b)) is amended by adding at the end the following:

''(4) REFRIGERATORS, REFRIGERATOR-FREEZERS, AND FREEZERS MANUFACTURED ON OR AFTER JANUARY 1, 2014.—Not later than December 31, 2010, the Secretary shall publish a final rule determining whether to amend the standards in effect for refrigerators, refrigerator-freezers, and freezers manufactured on or after January 1, 2014, and including any amended standards.''.

(c) RESIDENTIAL CLOTHES WASHERS AND DISHWASHERS.—Section 325(g)(4) of the Energy Policy and Conservation Act (42 U.S.C. 6295(g)(4)) is amended by adding at the end the following:

''(D) CLOTHES WASHERS.—

''(i) CLOTHES WASHERS MANUFACTURED ON OR AFTER JANUARY 1, 2011.—A residential clothes washer manufactured on or after January 1, 2011, shall have—

''(I) a modified energy factor of at least 1.26; and

''(II) a water factor of not more than 9.5.

''(ii) CLOTHES WASHERS MANUFACTURED ON OR AFTER JANUARY 1, 2012.—Not later than January 1, 2012, the Secretary shall publish a final rule determining whether to amend the standards in effect for residential clothes washers manufactured on or after January 1, 2012, and including any amended standards.

''(E) DISHWASHERS.—

''(i) DISHWASHERS MANUFACTURED ON OR AFTER JANUARY 1, 2010.—A dishwasher manufactured on or after January 1, 2010, shall use not more than—

''(I) in the case of a standard-size dishwasher, 355 kWh per year or 6.5 gallons of water per cycle; and

''(II) in the case of a compact-size dishwasher, 260 kWh per year or 4.5 gallons of water per cycle.

''(ii) DISHWASHERS MANUFACTURED ON OR AFTER JANUARY 1, 2018.—Not later than January 1, 2015, the Secretary shall publish a final rule determining whether to amend the standards for dishwashers manufactured on or after January 1, 2018, and including any amended standards.''.

(d) DEHUMIDIFIERS.—Section 325(cc) of the Energy Policy and Conservation Act (42 U.S.C. 6295(cc)) is amended—

(1) in paragraph (1), by inserting ''and before October 1, 2012,'' after ''2007,''; and

(2) by striking paragraph (2) and inserting the following:

''(2) DEHUMIDIFIERS MANUFACTURED ON OR AFTER OCTOBER 1, 2012.—Dehumidifiers manufactured on or after October 1, 2012, shall have an Energy Factor that meets or exceeds the following values:''

Product Capacity (pints/day):	Minimum Energy Factor liters/kWh
Up to 35.00	1.35
35.01–45.00	1.50
45.01–54.00	1.60
54.01–75.00	1.70
Greater than 75.00	2.5.''

(e) ENERGY STAR PROGRAM.—Section 324A(d)(2) of the Energy Policy and Conservation Act (42 U.S.C. 6294a(d)(2)) is amended by striking ''2010'' and inserting ''2009''.

SEC. 231. IMPROVED ENERGY EFFICIENCY FOR APPLIANCES AND BUILDINGS IN COLD CLIMATES.

(a) RESEARCH.—Section 911(a)(2) of the Energy Policy Act of 2005 (42 U.S.C. 16191(a)(2)) is amended—

(1) in subparagraph (C), by striking ''and'' at the end;

(2) in subparagraph (D), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(E) technologies to improve the energy efficiency of appliances and mechanical systems for buildings in cold climates, including combined heat and power units and increased use of renewable resources, including fuel.''.

(b) REBATES.—Section 124 of the Energy Policy Act of 2005 (42 U.S.C. 15821) is amended—

(1) in subsection (b)(1), by inserting '', or products with improved energy efficiency in cold climates,'' after ''residential Energy Star products''; and

(2) in subsection (e), by inserting ''or product with improved energy efficiency in a cold climate'' after ''residential Energy Star product'' each place it appears.

SEC. 232. DEPLOYMENT OF NEW TECHNOLOGIES FOR HIGH-EFFICIENCY CONSUMER PRODUCTS.

(a) DEFINITIONS.—In this section:

(1) ENERGY SAVINGS.—The term ''energy savings'' means megawatt-hours of electricity or million British thermal units of natural gas saved by a product, in comparison to projected energy consumption under the energy efficiency standard applicable to the product.

(2) HIGH-EFFICIENCY CONSUMER PRODUCT.—The term ''high-efficiency consumer product'' means a product that exceeds the energy efficiency of comparable products available in the market by a percentage determined by the Secretary to be an appropriate benchmark for the consumer product category competing for an award under this section.

(b) FINANCIAL INCENTIVES PROGRAM.—Effective beginning October 1, 2007, the Secretary shall competitively award financial incentives under this section for the manufacture of high-efficiency consumer products.

(c) REQUIREMENTS.—

(1) IN GENERAL.—The Secretary shall make awards under this section to manufacturers of high-efficiency consumer products, based on the bid of each manufacturer in terms of dollars per megawatt-hour or million British thermal units saved.

(2) ACCEPTANCE OF BIDS.—In making awards under this section, the Secretary shall—

(A) solicit bids for reverse auction from appropriate manufacturers, as determined by the Secretary; and

(B) award financial incentives to the manufacturers that submit the lowest bids that meet the requirements established by the Secretary.

(d) FORMS OF AWARDS.—An award for a high-efficiency consumer product under this section shall be in the form of a lump sum payment in an amount equal to the product obtained by multiplying—

(1) the amount of the bid by the manufacturer of the high-efficiency consumer product; and

(2) the energy savings during the projected useful life of the high-efficiency consumer product, not to exceed 10 years, as determined under regulations issued by the Secretary.

SEC. 233. INDUSTRIAL EFFICIENCY PROGRAM.

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE ENTITY.—The term eligible entity means—

(A) an institution of higher education under contract or in partnership with a nonprofit or for-profit private entity acting on behalf of an industrial or commercial sector or subsector;

(B) a nonprofit or for-profit private entity acting on behalf on an industrial or commercial sector or subsector; or

(C) a consortia of entities acting on behalf of an industrial or commercial sector or subsector.

(2) ENERGY-INTENSIVE COMMERCIAL APPLICATIONS.—The term ''energy-intensive commercial applications'' means processes and facilities that use significant quantities of energy as part of the primary economic activities of the processes and facilities, including—

(A) information technology data centers;

(B) product manufacturing; and

(C) food processing.

(3) FEEDSTOCK.—The term ''feedstock'' means the raw material supplied for use in manufacturing, chemical, and biological processes.

(4) MATERIALS MANUFACTURERS.—The term ''materials manufacturers'' means the energy-intensive primary manufacturing industries, including the aluminum, chemicals, forest and paper products, glass, metal casting, and steel industries.

(5) PARTNERSHIP.—The term ''partnership'' means an energy efficiency and utilization partnership established under subsection (c)(1)(A).

(6) PROGRAM.—The term ''program'' means the industrial efficiency program established under subsection (b).

(b) ESTABLISHMENT OF PROGRAM.—The Secretary shall establish a program under which the Secretary, in cooperation with materials manufacturers, companies engaged in energy-intensive commercial applications, and national industry trade associations representing the manufactures and companies, shall support, develop, and promote the use of new materials manufacturing and industrial and commercial processes, technologies, and techniques to optimize energy efficiency and the economic competitiveness of the United States.

(c) PARTNERSHIPS.—

(1) IN GENERAL.—As part of the program, the Secretary shall—

(A) establish energy efficiency and utilization partnerships between the Secretary and eligible entities to conduct research on, develop, and demonstrate new processes, technologies, and operating practices and techniques to significantly improve energy efficiency and utilization by materials manufacturers and in energy-intensive commercial applications, including the conduct of activities to—

(i) increase the energy efficiency of industrial and commercial processes and facilities in energy-intensive commercial application sectors;

(ii) research, develop, and demonstrate advanced technologies capable of energy intensity reductions and increased environmental performance in energy-intensive commercial application sectors; and

(iii) promote the use of the processes, technologies, and techniques described in clauses (i) and (ii); and

(B) pay the Federal share of the cost of any eligible partnership activities for which a proposal has been submitted and approved in accordance with paragraph (3)(B).

(2) ELIGIBLE ACTIVITIES.—Partnership activities eligible for financial assistance under this subsection include—

(A) feedstock and recycling research, development, and demonstration activities to identify and promote—

(i) opportunities for meeting manufacturing feedstock requirements with more energy efficient and flexible sources of feedstock or energy supply;

(ii) strategies to develop and deploy technologies that improve the quality and quantity of feedstocks recovered from process and waste streams; and

(iii) other methods using recycling, reuse, and improved industrial materials;

(B) industrial and commercial energy efficiency and sustainability assessments to—

(i) assist individual industrial and commercial sectors in developing tools, techniques, and methodologies to assess—

(I) the unique processes and facilities of the sectors;

(II) the energy utilization requirements of the sectors; and

(III) the application of new, more energy efficient technologies; and

(ii) conduct energy savings assessments;

(C) the incorporation of technologies and innovations that would significantly improve the energy efficiency and utilization of energy-intensive commercial applications; and

(D) any other activities that the Secretary determines to be appropriate.

(3) PROPOSALS.—

(A) IN GENERAL.—To be eligible for financial assistance under this subsection, a partnership shall submit to the Secretary a proposal that describes the proposed research, development, or demonstration activity to be conducted by the partnership.

(B) REVIEW.—After reviewing the scientific, technical, and commercial merit of a proposals submitted under subparagraph (A), the Secretary shall approve or disapprove the proposal.

(C) COMPETITIVE AWARDS.—The provision of financial assistance under this subsection shall be on a competitive basis.

(4) COST-SHARING REQUIREMENT.—In carrying out this section, the Secretary shall require cost sharing in accordance with section 988 of the Energy Policy Act of 2005 (42 U.S.C. 16352).

(d) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to the Secretary to carry out this section—

(A) $184,000,000 for fiscal year 2008;

(B) $190,000,000 for fiscal year 2009;

(C) $196,000,000 for fiscal year 2010;

(D) $202,000,000 for fiscal year 2011;

(E) $208,000,000 for fiscal year 2012; and

(F) such sums as are necessary for fiscal year 2013 and each fiscal year thereafter.

(2) PARTNERSHIP ACTIVITIES.—Of the amounts made available under paragraph (1), not less than 50 percent shall be used to pay the Federal share of partnership activities under subsection (c).

Subtitle C—Promoting High Efficiency Vehicles, Advanced Batteries, and Energy Storage

SEC. 241. LIGHTWEIGHT MATERIALS RESEARCH AND DEVELOPMENT.

(a) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary shall establish a research and development program to determine ways in which—

(1) the weight of vehicles may be reduced to improve fuel efficiency without compromising passenger safety; and

(2) the cost of lightweight materials (such as steel alloys, fiberglass, and carbon composites) required for the construction of lighter-weight vehicles may be reduced.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $60,000,000 for each of fiscal years 2007 through 2012.

SEC. 242. LOAN GUARANTEES FOR FUEL-EFFICIENT AUTOMOBILE PARTS MANUFACTURERS.

(a) IN GENERAL.—Section 712(a) of the Energy Policy Act of 2005 (42 U.S.C. 16062(a)) is amended in the second sentence by striking ''grants to automobile manufacturers'' and inserting ''grants and loan guarantees under section 1703 to automobile manufacturers and suppliers''.

(b) CONFORMING AMENDMENT.—Section 1703(b) of the Energy Policy Act of 2005 (42 U.S.C. 16513(b)) is amended by striking paragraph (8) and inserting the following:

''(8) Production facilities for the manufacture of fuel efficient vehicles or parts of those vehicles, including electric drive transportation technology and advanced diesel vehicles.''.

SEC. 243. ADVANCED TECHNOLOGY VEHICLES MANUFACTURING INCENTIVE PROGRAM.

(a) DEFINITIONS.—In this section:

(1) ADJUSTED AVERAGE FUEL ECONOMY.—The term ''adjusted average fuel economy'' means the average fuel economy of a manufacturer for all light duty vehicles produced by the manufacturer, adjusted such that the fuel economy of each vehicle that qualifies for an award shall be considered to be equal to the average fuel economy for vehicles of a similar footprint for model year 2005.

(2) ADVANCED TECHNOLOGY VEHICLE.—The term ''advanced technology vehicle'' means a light duty vehicle that meets—

(A) the Bin 5 Tier II emission standard established in regulations issued by the Administrator of the Environmental Protection Agency under section 202(i) of the Clean Air Act (42 U.S.C. 7521(i)), or a lower-numbered Bin emission standard;

(B) any new emission standard for fine particulate matter prescribed by the Administrator under that Act (42 U.S.C. 7401 et seq.); and

(C) at least 125 percent of the average base year combined fuel economy, calculated on an energy-equivalent basis, for vehicles of a substantially similar footprint.

(3) COMBINED FUEL ECONOMY.—The term ''combined fuel economy'' means—

(A) the combined city/highway miles per gallon values, as reported in accordance with section 32908 of title 49, United States Code; and

(B) in the case of an electric drive vehicle with the ability to recharge from an off-board source, the reported mileage, as determined in a manner consistent with the Society of Automotive Engineers recommended practice for that configuration or a similar practice recommended by the Secretary, using a petroleum equivalence factor for the off-board electricity (as defined in section 474 of title 10, Code of Federal Regulations).

(4) ENGINEERING INTEGRATION COSTS.—The term ''engineering integration costs'' includes the cost of engineering tasks relating to—

(A) incorporating qualifying components into the design of advanced technology vehicles; and

(B) designing new tooling and equipment for production facilities that produce qualifying components or advanced technology vehicles.

(5) QUALIFYING COMPONENTS.—The term ''qualifying components'' means components that the Secretary determines to be—

(A) specially designed for advanced technology vehicles; and

(B) installed for the purpose of meeting the performance requirements of advanced technology vehicles.

(b) ADVANCED VEHICLES MANUFACTURING FACILITY.—The Secretary shall provide facility funding awards under this section to automobile manufacturers and component suppliers to pay not more than 30 percent of the cost of—

(1) reequipping, expanding, or establishing a manufacturing facility in the United States to produce—

(A) qualifying advanced technology vehicles; or

(B) qualifying components; and

(2) engineering integration performed in the United States of qualifying vehicles and qualifying components.

(c) PERIOD OF AVAILABILITY.—An award under subsection (b) shall apply to—

(1) facilities and equipment placed in service before December 30, 2017; and

(2) engineering integration costs incurred during the period beginning on the date of enactment of this Act and ending on December 30, 2017.

(d) IMPROVEMENT.—The Secretary shall issue regulations that require that, in order for an automobile manufacturer to be eligible for an award under this section during a particular year, the adjusted average fuel economy of the manufacturer for light duty vehicles produced by the manufacturer during the most recent year for which data are available shall be not less than the average fuel economy for all light duty vehicles of the manufacturer for model year 2005.

SEC. 244. ENERGY STORAGE COMPETITIVENESS.

(a) SHORT TITLE.—This section may be cited as the ''United States Energy Storage Competitiveness Act of 2007''.

(b) ENERGY STORAGE SYSTEMS FOR MOTOR TRANSPORTATION AND ELECTRICITY TRANSMISSION AND DISTRIBUTION.—

(1) DEFINITIONS.—In this subsection:

(A) COUNCIL.—The term ''Council'' means the Energy Storage Advisory Council established under paragraph (3).

(B) COMPRESSED AIR ENERGY STORAGE.—The term ''compressed air energy storage'' means, in the case of an electricity grid application, the storage of energy through the compression of air.

(C) DEPARTMENT.—The term ''Department'' means the Department of Energy.

(D) FLYWHEEL.—The term ''flywheel'' means, in the case of an electricity grid application, a device used to store rotational kinetic energy.

(E) ULTRACAPACITOR.—The term ''ultracapacitor'' means an energy storage device that has a power density comparable to conventional capacitors but capable of exceeding the energy density of conventional capacitors by several orders of magnitude.

(2) PROGRAM.—The Secretary shall carry out a research, development, and demonstration program to support the ability of the United States to remain globally competitive in energy storage systems for motor transportation and electricity transmission and distribution.

(3) ENERGY STORAGE ADVISORY COUNCIL.—

(A) ESTABLISHMENT.—Not later than 90 days after the date of enactment of this Act, the Secretary shall establish an Energy Storage Advisory Council.

(B) COMPOSITION.—

(i) IN GENERAL.—Subject to clause (ii), the Council shall consist of not less than 15 individuals appointed by the Secretary, based on recommendations of the National Academy of Sciences.

(ii) ENERGY STORAGE INDUSTRY.—The Council shall consist primarily of representatives of the energy storage industry of the United States.

(iii) CHAIRPERSON.—The Secretary shall select a Chairperson for the Council from among the members appointed under clause (i)

(C) MEETINGS.—

(i) IN GENERAL.—The Council shall meet not less than once a year.

(ii) FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App. 2) shall apply to a meeting of the Council.

(D) PLANS.—No later than 1 year after the date of enactment of this Act, in conjunction with the Secretary, the Council shall develop 5-year plans for integrating basic and applied research so that the United States retains a globally competitive domestic energy storage industry for motor transportation and electricity transmission and distribution.

(E) REVIEW.—The Council shall—

(i) assess the performance of the Department in meeting the goals of the plans developed under subparagraph (D); and

(ii) make specific recommendations to the Secretary on programs or activities that should be established or terminated to meet those goals.

(4) BASIC RESEARCH PROGRAM.—

(A) BASIC RESEARCH.—The Secretary shall conduct a basic research program on energy storage systems to support motor transportation and electricity transmission and distribution, including—

(i) materials design;

(ii) materials synthesis and characterization;

(iii) electrolytes, including bioelectrolytes;

(iv) surface and interface dynamics; and

(v) modeling and simulation.

(B) NANOSCIENCE CENTERS.—The Secretary shall ensure that the nanoscience centers of the Department—

(i) support research in the areas described in subparagraph (A), as part of the mission of the centers; and

(ii) coordinate activities of the centers with activities of the Council.

(5) APPLIED RESEARCH PROGRAM.—The Secretary shall conduct an applied research program on energy storage systems to support motor transportation and electricity transmission and distribution technologies, including—

(A) ultracapacitors;

(B) flywheels;

(C) batteries;

(D) compressed air energy systems;

(E) power conditioning electronics; and

(F) manufacturing technologies for energy storage systems.

(6) ENERGY STORAGE RESEARCH CENTERS.—

(A) IN GENERAL.—The Secretary shall establish, through competitive bids, 4 energy storage research centers to translate basic research into applied technologies to advance the capability of the United States to maintain a globally competitive posture in energy storage systems for motor transportation and electricity transmission and distribution.

(B) PROGRAM MANAGEMENT.—The centers shall be jointly managed by the Under Secretary for Science and the Under Secretary of Energy of the Department.

(C) PARTICIPATION AGREEMENTS.—As a condition of participating in a center, a participant shall enter into a participation agreement with the center that requires that activities conducted by the participant for the center promote the goal of enabling the United States to compete successfully in global energy storage markets.

(D) PLANS.—A center shall conduct activities that promote the achievement of the goals of the plans of the Council under paragraph (3)(D).

(E) COST SHARING.—In carrying out this paragraph, the Secretary shall require cost-sharing in accordance with section 988 of the Energy Policy Act of 2005 (42 U.S.C. 16352).

(F) NATIONAL LABORATORIES.—A national laboratory (as defined in section 2 of the Energy Policy Act of 2005 (42 U.S.C. 15801)) may participate in a center established under this paragraph, including a cooperative research and development agreement (as defined in section 12(d) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a(d))).

(G) INTELLECTUAL PROPERTY.—A participant shall be provided appropriate intellectual property rights commensurate with the nature of the participation agreement of the participant.

(7) REVIEW BY NATIONAL ACADEMY OF SCIENCES.—Not later than 5 years after the date of enactment of this Act, the Secretary shall offer to enter into an arrangement with the National Academy of Sciences to assess the performance of the Department in making the United States globally competitive in energy storage systems for motor transportation and electricity transmission and distribution.

(8) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out—

(A) the basic research program under paragraph (4) $50,000,000 for each of fiscal years 2008 through 2017;

(B) the applied research program under paragraph (5) $80,000,000 for each of fiscal years 2008 through 2017; and;

(C) the energy storage research center program under paragraph (6) $100,000,000 for each of fiscal years 2008 through 2017.

SEC. 245. ADVANCED TRANSPORTATION TECHNOLOGY PROGRAM.

(a) ELECTRIC DRIVE VEHICLE DEMONSTRATION PROGRAM.—

(1) DEFINITION OF ELECTRIC DRIVE VEHICLE.—In this subsection, the term ''electric drive vehicle'' means a precommercial vehicle that—

(A) draws motive power from a battery with at least 4 kilowatt-hours of electricity;

(B) can be recharged from an external source of electricity for motive power; and

(C) is a light-, medium-, or heavy-duty onroad or nonroad vehicle.

(2) PROGRAM.—The Secretary shall establish a competitive program to provide grants for demonstrations of electric drive vehicles.

(3) ELIGIBILITY.—A State government, local government, metropolitan transportation authority, air pollution control district, private entity, and nonprofit entity shall be eligible to receive a grant under this subsection.

(4) PRIORITY.—In making grants under this subsection, the Secretary shall give priority to proposals that—

(A) are likely to contribute to the commercialization and production of electric drive vehicles in the United States; and

(B) reduce petroleum usage.

(5) SCOPE OF DEMONSTRATIONS.—The Secretary shall ensure, to the extent practicable, that the program established under

this subsection includes a variety of applications, manufacturers, and end-uses.

(6) REPORTING.—The Secretary shall require a grant recipient under this subsection to submit to the Secretary, on an annual basis, data relating to vehicle, performance, life cycle costs, and emissions of vehicles demonstrated under the grant, including emissions of greenhouse gases.

(7) COST SHARING.—Section 988 of the Energy Policy Act of 2005 (42 U.S.C. 16352) shall apply to a grant made under this subsection.

(8) AUTHORIZATIONS OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection $60,000,000 for each of fiscal years 2008 through 2012, of which not less than $20,000,000 shall be available each fiscal year only to make grants local and municipal governments.

(b) NEAR-TERM OIL SAVING TRANSPORTATION DEPLOYMENT PROGRAM.—

(1) DEFINITION OF QUALIFIED TRANSPORTATION PROJECT.—In this subsection, the term ''qualified transportation project'' means—

(A) a project that simultaneously reduces emissions of criteria pollutants, greenhouse gas emissions, and petroleum usage by at least 40 percent as compared to commercially available, petroleum-based technologies used in nonroad vehicles; and

(B) an electrification project involving onroad commercial trucks, rail transportation, or ships, and any associated infrastructure (including any panel upgrades, battery chargers, trenching, and alternative fuel infrastructure).

(2) PROGRAM.—Not later than 1 year after the date of enactment of this Act, the Secretary, in consultation with the Secretary of Transportation, shall establish a program to provide grants to eligible entities for the conduct of qualified transportation projects.

(3) PRIORITY.—In providing grants under this subsection, the Secretary shall give priority to large-scale projects and large-scale aggregators of projects.

(4) COST SHARING.—Section 988 of the Energy Policy Act of 2005 (42 U.S.C. 16352) shall apply to a grant made under this subsection.

(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to carry this subsection $90,000,000 for each of fiscal years 2008 through 2013.

Subtitle D—Setting Energy Efficiency Goals

SEC. 251. NATIONAL GOALS FOR ENERGY SAVINGS IN TRANSPORTATION.

(a) GOALS.—The goals of the United States are to reduce gasoline usage in the United States from the levels projected under subsection (b) by—

(1) 20 percent by calendar year 2017;

(2) 35 percent by calendar year 2025; and

(3) 45 percent by calendar year 2030.

(b) MEASUREMENT.—For purposes of subsection (a), reduction in gasoline usage shall be measured from the estimates for each year in subsection (a) contained in the reference case in the report of the Energy Information Administration entitled ''Annual Energy Outlook 2007''.

(c) STRATEGIC PLAN.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary, in cooperation with the Administrator of the Environmental Protection Agency and the heads of other appropriate Federal agencies, shall develop a strategic plan to achieve the national goals for reduction in gasoline usage established under subsection (a).

(2) PUBLIC INPUT AND COMMENT.—The Secretary shall develop the plan in a manner that provides appropriate opportunities for public comment.

(d) PLAN CONTENTS.—The strategic plan shall—

(1) establish future regulatory, funding, and policy priorities to ensure compliance with the national goals;

(2) include energy savings estimates for each sector; and

(3) include data collection methodologies and compilations used to establish baseline and energy savings data.

(e) PLAN UPDATES.—

(1) IN GENERAL.—The Secretary shall—

(A) update the strategic plan biennially; and

(B) include the updated strategic plan in the national energy policy plan required by section 801 of the Department of Energy Organization Act (42 U.S.C. 7321).

(2) CONTENTS.—In updating the plan, the Secretary shall—

(A) report on progress made toward implementing efficiency policies to achieve the national goals established under subsection (a); and

(B) to the maximum extent practicable, verify energy savings resulting from the policies.

(f) REPORT TO CONGRESS AND PUBLIC.—The Secretary shall submit to Congress, and make available to the public, the initial strategic plan developed under subsection (c) and each updated plan.

SEC. 252. NATIONAL ENERGY EFFICIENCY IMPROVEMENT GOALS.

(a) GOALS.—The goals of the United States are—

(1) to achieve an improvement in the overall energy productivity of the United States (measured in gross domestic product per unit of energy input) of at least 2.5 percent per year by the year 2012; and

(2) to maintain that annual rate of improvement each year through 2030.

(b) STRATEGIC PLAN.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary, in cooperation with the Administrator of the Environmental Protection Agency and the heads of other appropriate Federal agencies, shall develop a strategic plan to achieve the national goals for improvement in energy productivity established under subsection (a).

(2) PUBLIC INPUT AND COMMENT.—The Secretary shall develop the plan in a manner that provides appropriate opportunities for public input and comment.

(c) PLAN CONTENTS.—The strategic plan shall—

(1) establish future regulatory, funding, and policy priorities to ensure compliance with the national goals;

(2) include energy savings estimates for each sector; and

(3) include data collection methodologies and compilations used to establish baseline and energy savings data.

(d) PLAN UPDATES.—

(1) IN GENERAL.—The Secretary shall—

(A) update the strategic plan biennially; and

(B) include the updated strategic plan in the national energy policy plan required by section 801 of the Department of Energy Organization Act (42 U.S.C. 7321).

(2) CONTENTS.—In updating the plan, the Secretary shall—

(A) report on progress made toward implementing efficiency policies to achieve the national goals established under subsection (a); and

(B) verify, to the maximum extent practicable, energy savings resulting from the policies.

(e) REPORT TO CONGRESS AND PUBLIC.—The Secretary shall submit to Congress, and make available to the public, the initial strategic plan developed under subsection (b) and each updated plan.

SEC. 253. NATIONAL MEDIA CAMPAIGN.

(a) IN GENERAL.—The Secretary, acting through the Assistant Secretary for Energy Efficiency and Renewable Energy (referred to in this section as the ''Secretary''), shall develop and conduct a national media campaign—

(1) to increase energy efficiency throughout the economy of the United States over the next decade;

(2) to promote the national security benefits associated with increased energy efficiency; and

(3) to decrease oil consumption in the United States over the next decade.

(b) CONTRACT WITH ENTITY.—The Secretary shall carry out subsection (a) directly or through—

(1) competitively bid contracts with 1 or more nationally recognized media firms for the development and distribution of monthly television, radio, and newspaper public service announcements; or

(2) collective agreements with 1 or more nationally recognized institutes, businesses, or nonprofit organizations for the funding, development, and distribution of monthly television, radio, and newspaper public service announcements.

(c) USE OF FUNDS.—

(1) IN GENERAL.—Amounts made available to carry out this section shall be used for the following:

(A) ADVERTISING COSTS.—

(i) The purchase of media time and space.

(ii) Creative and talent costs.

(iii) Testing and evaluation of advertising.

(iv) Evaluation of the effectiveness of the media campaign.

(B) ADMINISTRATIVE COSTS.—Operational and management expenses.

(2) LIMITATIONS.—In carrying out this section, the Secretary shall allocate not less than 85 percent of funds made available under subsection (e) for each fiscal year for the advertising functions specified under paragraph (1)(A).

(d) REPORTS.—The Secretary shall annually submit to Congress a report that describes—

(1) the strategy of the national media campaign and whether specific objectives of the campaign were accomplished, including—

(A) determinations concerning the rate of change of energy consumption, in both absolute and per capita terms; and

(B) an evaluation that enables consideration whether the media campaign contributed to reduction of energy consumption;

(2) steps taken to ensure that the national media campaign operates in an effective and efficient manner consistent with the overall strategy and focus of the campaign;

(3) plans to purchase advertising time and space;

(4) policies and practices implemented to ensure that Federal funds are used responsibly to purchase advertising time and space and eliminate the potential for waste, fraud, and abuse; and

(5) all contracts or cooperative agreements entered into with a corporation, partnership, or individual working on behalf of the national media campaign.

(e) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 2008 through 2012.

(2) DECREASED OIL CONSUMPTION.—The Secretary shall use not less than 50 percent of the amount that is made available under this section for each fiscal year to develop and conduct a national media campaign to decrease oil consumption in the United States over the next decade.

SEC. 254. MODERNIZATION OF ELECTRICITY GRID SYSTEM.

(a) STATEMENT OF POLICY.—It is the policy of the United States that developing and deploying advanced technology to modernize and increase the efficiency of the electricity grid system of the United States is essential to maintain a reliable and secure electricity transmission and distribution infrastructure that can meet future demand growth.

(b) PROGRAMS.—The Secretary, the Federal Energy Regulatory Commission, and other Federal agencies, as appropriate, shall carry out programs to support the use, development, and demonstration of advanced transmission and distribution technologies, including real-time monitoring and analytical software—

(1) to maximize the capacity and efficiency of electricity networks;

(2) to enhance grid reliability;

(3) to reduce line losses;

(4) to facilitate the transition to real-time electricity pricing;

(5) to allow grid incorporation of more on-site renewable energy generators;

(6) to enable electricity to displace a portion of the petroleum used to power the national transportation system of the United States; and

(7) to enable broad deployment of distributed generation and demand side management technology.

Subtitle E—Promoting Federal Leadership in Energy Efficiency and Renewable Energy

SEC. 261. FEDERAL FLEET CONSERVATION REQUIREMENTS.

(a) FEDERAL FLEET CONSERVATION REQUIREMENTS.—

(1) IN GENERAL.—Part J of title III of the Energy Policy and Conservation Act (42 U.S.C. 6374 et seq.) is amended by adding at the end the following:

''SEC. 400FF. FEDERAL FLEET CONSERVATION REQUIREMENTS.

''(a) MANDATORY REDUCTION IN PETROLEUM CONSUMPTION.—

''(1) IN GENERAL.—The Secretary shall issue regulations (including provisions for waivers from the requirements of this section) for Federal fleets subject to section 400AA requiring that not later than October 1, 2015, each Federal agency achieve at least a 20 percent reduction in petroleum consumption, and that each Federal agency increase alternative fuel consumption by 10 percent annually, as calculated from the baseline established by the Secretary for fiscal year 2005.

''(2) PLAN.—

''(A) REQUIREMENT.—The regulations shall require each Federal agency to develop a plan to meet the required petroleum reduction levels and the alternative fuel consumption increases.

''(B) MEASURES.—The plan may allow an agency to meet the required petroleum reduction level through—

''(i) the use of alternative fuels;

''(ii) the acquisition of vehicles with higher fuel economy, including hybrid vehicles, neighborhood electric vehicles, electric vehicles, and plug–in hybrid vehicles if the vehicles are commercially available;

''(iii) the substitution of cars for light trucks;

''(iv) an increase in vehicle load factors;

''(v) a decrease in vehicle miles traveled;

''(vi) a decrease in fleet size; and

''(vii) other measures.

''(b) FEDERAL EMPLOYEE INCENTIVE PROGRAMS FOR REDUCING PETROLEUM CONSUMPTION.—

''(1) IN GENERAL.—Each Federal agency shall actively promote incentive programs that encourage Federal employees and contractors to reduce petroleum usage through the use of practices such as—

''(A) telecommuting;

''(B) public transit;

''(C) carpooling; and

''(D) bicycling.

''(2) MONITORING AND SUPPORT FOR INCENTIVE PROGRAMS.—The Administrator of General Services, the Director of the Office of Personnel Management, and the Secretary of Energy shall monitor and provide appropriate support to agency programs described in paragraph (1).

''(3) RECOGNITION.—The Secretary may establish a program under which the Secretary recognizes private sector employers and State and local governments for outstanding programs to reduce petroleum usage through practices described in paragraph (1).

''(c) REPLACEMENT TIRES.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the regulations issued under subsection (a)(1) shall include a requirement that, to the maximum extent practicable, each Federal agency purchase energy-efficient replacement tires for the respective fleet vehicles of the agency.

''(2) EXCEPTIONS.—This section does not apply to—

''(A) law enforcement motor vehicles;

''(B) emergency motor vehicles; or

''(C) motor vehicles acquired and used for military purposes that the Secretary of Defense has certified to the Secretary must be exempt for national security reasons.

''(d) ANNUAL REPORTS ON COMPLIANCE.—The Secretary shall submit to Congress an annual report that summarizes actions taken by Federal agencies to comply with this section.''.

(2) TABLE OF CONTENTS AMENDMENT.—The table of contents of the Energy Policy and Conservation Act (42 U.S.C. prec. 6201) is amended by adding at the end of the items relating to part J of title III the following:

''Sec. 400FF. Federal fleet conservation requirements.''.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out the amendment made by this section $10,000,000 for the period of fiscal years 2008 through 2013.

SEC. 262. FEDERAL REQUIREMENT TO PURCHASE ELECTRICITY GENERATED BY RENEWABLE ENERGY.

Section 203 of the Energy Policy Act of 2005 (42 U.S.C. 15852) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) REQUIREMENT.—

''(1) IN GENERAL.—The President, acting through the Secretary, shall require that, to the extent economically feasible and technically practicable, of the total quantity of domestic electric energy the Federal Government consumes during any fiscal year, the following percentages shall be renewable energy from facilities placed in service after January 1, 1999:

''(A) Not less than 10 percent in fiscal year 2010.

''(B) Not less than 15 percent in fiscal year 2015.

''(2) CAPITOL COMPLEX.—The Architect of the Capitol, in consultation with the Secretary, shall ensure that, of the total quantity of electric energy the Capitol complex consumes during any fiscal year, the percentages prescribed in paragraph (1) shall be renewable energy.

''(3) WAIVER AUTHORITY.—The President may reduce or waive the requirement under paragraph (1) on a fiscal-year basis if the President determines that complying with paragraph (1) for a fiscal year would result in—

''(A) a negative impact on military training or readiness activities conducted by the Department of Defense;

''(B) a negative impact on domestic preparedness activities conducted by the Department of Homeland Security; or

''(C) a requirement that a Federal agency provide emergency response services in the event of a natural disaster or terrorist attack.''; and

(2) by adding at the end the following:

''(e) CONTRACTS FOR RENEWABLE ENERGY FROM PUBLIC UTILITY SERVICES.—Notwithstanding section 501(b)(1)(B) of title 40, United States Code, a contract for renewable energy from a public utility service may be made for a period of not more than 50 years.''.

SEC. 263. ENERGY SAVINGS PERFORMANCE CONTRACTS.

(a) RETENTION OF SAVINGS.—Section 546(c) of the National Energy Conservation Policy Act (42 U.S.C. 8256(c)) is amended by striking paragraph (5).

(b) SUNSET AND REPORTING REQUIREMENTS.—Section 801 of the National Energy Conservation Policy Act (42 U.S.C. 8287) is amended by striking subsection (c).

(c) DEFINITION OF ENERGY SAVINGS.—Section 804(2) of the National Energy Conservation Policy Act (42 U.S.C. 8287c(2)) is amended—

(1) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively, and indenting appropriately;

(2) by striking ''means a reduction'' and inserting ''means—

''(A) a reduction'';

(3) by striking the period at the end and inserting a semicolon; and

(4) by adding at the end the following:

''(B) the increased efficient use of an existing energy source by cogeneration or heat recovery, and installation of renewable energy systems;

''(C) if otherwise authorized by Federal or State law (including regulations), the sale or transfer of electrical or thermal energy generated on-site from renewable energy sources or cogeneration, but in excess of Federal needs, to utilities or non-Federal energy users; and

''(D) the increased efficient use of existing water sources in interior or exterior applications.''.

(d) NOTIFICATION.—

(1) AUTHORITY TO ENTER INTO CONTRACTS.—Section 801(a)(2)(D) of the National Energy Conservation Policy Act (42 U.S.C. 8287(a)(2)(D)) is amended—

(A) in clause (ii), by inserting ''and'' after the semicolon at the end;

(B) by striking clause (iii); and

(C) by redesignating clause (iv) as clause (iii).

(2) REPORTS.—Section 548(a)(2) of the National Energy Conservation Policy Act (42 U.S.C. 8258(a)(2)) is amended by inserting ''and any termination penalty exposure'' after ''the energy and cost savings that have resulted from such contracts''.

(3) CONFORMING AMENDMENT.—Section 2913 of title 10, United States Code, is amended by striking subsection (e).

(e) ENERGY AND COST SAVINGS IN NONBUILDING APPLICATIONS.—

(1) DEFINITIONS.—In this subsection:

(A) NONBUILDING APPLICATION.—The term ''nonbuilding application'' means—

(i) any class of vehicles, devices, or equipment that is transportable under the power of the applicable vehicle, device, or equipment by land, sea, or air and that consumes energy from any fuel source for the purpose of—

(I) that transportation; or

(II) maintaining a controlled environment within the vehicle, device, or equipment; and

(ii) any federally-owned equipment used to generate electricity or transport water.

(B) SECONDARY SAVINGS.—

(i) IN GENERAL.—The term ''secondary savings'' means additional energy or cost savings that are a direct consequence of the energy savings that result from the energy efficiency improvements that were financed and implemented pursuant to an energy savings performance contract.

(ii) INCLUSIONS.—The term ''secondary savings'' includes—

(I) energy and cost savings that result from a reduction in the need for fuel delivery and logistical support;

(II) personnel cost savings and environmental benefits; and

(III) in the case of electric generation equipment, the benefits of increased efficiency in the production of electricity, including revenues received by the Federal Government from the sale of electricity so produced.

(2) STUDY.—

(A) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary and the Secretary of Defense shall jointly conduct, and submit to Congress and the President a report of, a study of the potential for the use of energy savings performance contracts to reduce energy consumption and provide energy and cost savings in nonbuilding applications.

(B) REQUIREMENTS.—The study under this subsection shall include—

(i) an estimate of the potential energy and cost savings to the Federal Government, including secondary savings and benefits, from increased efficiency in nonbuilding applications;

(ii) an assessment of the feasibility of extending the use of energy savings performance contracts to nonbuilding applications, including an identification of any regulatory or statutory barriers to such use; and

(iii) such recommendations as the Secretary and Secretary of Defense determine to be appropriate.

SEC. 264. ENERGY MANAGEMENT REQUIREMENTS FOR FEDERAL BUILDINGS.

Section 543(a)(1) of the National Energy Conservation Policy Act (42 U.S.C. 8253(a)(1)) is amended by striking the table and inserting the following:

''Fiscal Year	Percentage reduction
2006	2
2007	4
2008	9
2009	12
2010	15
2011	18
2012	21
2013	24
2014	27
2015	30.''.

SEC. 265. COMBINED HEAT AND POWER AND DISTRICT ENERGY INSTALLATIONS AT FEDERAL SITES.

Section 543 of the National Energy Conservation Policy Act (42 U.S.C. 8253) is amended by adding at the end the following:

''(f) COMBINED HEAT AND POWER AND DISTRICT ENERGY INSTALLATIONS AT FEDERAL SITES.—

''(1) IN GENERAL.—Not later than 18 months after the date of enactment of this subsection, the Secretary, in consultation with the Administrator of General Services and the Secretary of Defense, shall identify Federal sites that could achieve significant cost-effective energy savings through the use of combined heat and power or district energy installations.

''(2) INFORMATION AND TECHNICAL ASSISTANCE.—The Secretary shall provide agencies with information and technical assistance that will enable the agencies to take advantage of the energy savings described in paragraph (1).

''(3) ENERGY PERFORMANCE REQUIREMENTS.—Any energy savings from the installations described in paragraph (1) may be applied to meet the energy performance requirements for an agency under subsection (a)(1).''.

SEC. 266. FEDERAL BUILDING ENERGY EFFICIENCY PERFORMANCE STANDARDS.

Section 305(a)(3)(A) of the Energy Conservation and Production Act (42 U.S.C. 6834(a)(3)(A)) is amended—

(1) in the matter preceding clause (i), by striking ''this paragraph'' and by inserting ''the Energy Efficiency Promotion Act of 2007''; and

(2) in clause (i)—

(A) in subclause (I), by striking ''and'' at the end;

(B) by redesignating subclause (II) as subclause (III); and

(C) by inserting after subclause (I) the following:

''(II) the buildings be designed, to the extent economically feasible and technically practicable, so that the fossil fuel-generated energy consumption of the buildings is reduced, as compared with the fossil fuel-generated energy consumption by a similar Federal building in fiscal year 2003 (as measured by Commercial Buildings Energy Consumption Survey or Residential Energy Consumption Survey data from the Energy Information Agency), by the percentage specified in the following table:

Fiscal Year	Percentage Reduction
2007	50
2010	60
2015	70
2020	80
2025	90
2030	100;

and''.

SEC. 267. APPLICATION OF INTERNATIONAL ENERGY CONSERVATION CODE TO PUBLIC AND ASSISTED HOUSING.

Section 109 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12709) is amended—

(1) in subsection (a)(1)(C), by striking, '', where such standards are determined to be cost effective by the Secretary of Housing and Urban Development'';

(2) in subsection (a)(2)—

(A) by striking ''the Council of American Building Officials Model Energy Code, 1992'' and inserting ''2006 International Energy Conservation Code''; and

(B) by striking '', and, with respect to rehabilitation and new construction of public and assisted housing funded by HOPE VI revitalization grants under section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v), the 2003 International Energy Conservation Code'';

(3) in subsection (b)—

(A) in the heading, by striking ''MODEL ENERGY CODE.—'' and inserting ''INTERNATIONAL ENERGY CONSERVATION CODE.—'';

(B) after ''all new construction'' in the first sentence insert ''and rehabilitation''; and

(C) by striking '', and, with respect to rehabilitation and new construction of public and assisted housing funded by HOPE VI revitalization grants under section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v), the 2003 International Energy Conservation Code'';

(4) in subsection (c)—

(A) in the heading, by striking ''MODEL ENERGY CODE AND''; and

(B) by striking '', or, with respect to rehabilitation and new construction of public and assisted housing funded by HOPE VI revitalization grants under section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v), the 2003 International Energy Conservation Code'';

(5) by adding at the end the following:

''(d) FAILURE TO AMEND THE STANDARDS.—If the Secretaries have not, within 1 year after the requirements of the 2006 IECC or the ASHRAE Standard 90.1–2004 are revised, amended the standards or made a determination under subsection (c) of this section, and if the Secretary of Energy has made a determination under section 304 of the Energy Conservation and Production Act (42 U.S.C. 6833) that the revised code or standard would improve energy efficiency, all new construction and rehabilitation of housing specified in subsection (a) shall meet the requirements of the revised code or standard.'';

(6) by striking ''CABO Model Energy Code, 1992'' each place it appears and inserting ''the 2006 IECC''; and

(7) by striking ''1989'' each place it appears and inserting ''2004''.

SEC. 268. ENERGY EFFICIENT COMMERCIAL BUILDINGS INITIATIVE.

(a) DEFINITIONS.—In this section:

(1) CONSORTIUM.—The term ''consortium'' means a working group that is comprised of—

(A) individuals representing—

(i) 1 or more businesses engaged in—

(I) commercial building development;

(II) construction; or

(III) real estate;

(ii) financial institutions;

(iii) academic or research institutions;

(iv) State or utility energy efficiency programs;

(v) nongovernmental energy efficiency organizations; and

(vi) the Federal Government;

(B) 1 or more building designers; and

(C) 1 or more individuals who own or operate 1 or more buildings.

(2) ENERGY EFFICIENT COMMERCIAL BUILDING.—The term ''energy efficient commercial building'' means a commercial building that is designed, constructed, and operated—

(A) to require a greatly reduced quantity of energy;

(B) to meet, on an annual basis, the balance of energy needs of the commercial building from renewable sources of energy; and

(C) to be economically viable.

(3) INITIATIVE.—The term ''initiative'' means the Energy Efficient Commercial Buildings Initiative.

(b) INITIATIVE.—

(1) IN GENERAL.—The Secretary shall enter into an agreement with the consortium to develop and carry out the initiative—

(A) to reduce the quantity of energy consumed by commercial buildings located in the United States; and

(B) to achieve the development of energy efficient commercial buildings in the United States.

(2) GOAL OF INITIATIVE.—The goal of the initiative shall be to develop technologies and practices and implement policies that lead to energy efficient commercial buildings for—

(A) any commercial building newly constructed in the United States by 2030;

(B) 50 percent of the commercial building stock of the United States by 2040; and

(C) all commercial buildings in the United States by 2050.

(3) COMPONENTS.—In carrying out the initiative, the Secretary, in collaboration with the consortium, may—

(A) conduct research and development on building design, materials, equipment and controls, operation and other practices, integration, energy use measurement and benchmarking, and policies;

(B) conduct demonstration projects to evaluate replicable approaches to achieving energy efficient commercial buildings for a variety of building types in a variety of climate zones;

(C) conduct deployment activities to disseminate information on, and encourage widespread adoption of, technologies, practices, and policies to achieve energy efficient commercial buildings; and

(D) conduct any other activity necessary to achieve any goal of the initiative, as determined by the Secretary, in collaboration with the consortium.

(c) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated such sums as are necessary to carry out this section.

(2) ADDITIONAL FUNDING.—In addition to amounts authorized to be appropriated under paragraph (1), the Secretary may allocate funds from other appropriations to the initiative without changing the purpose for which the funds are appropriated.

Subtitle F—Assisting State and Local Governments in Energy Efficiency

SEC. 271. WEATHERIZATION ASSISTANCE FOR LOW-INCOME PERSONS.

Section 422 of the Energy Conservation and Production Act (42 U.S.C. 6872) is amended by striking ''$700,000,000 for fiscal year 2008'' and inserting ''$750,000,000 for each of fiscal years 2008 through 2012''.

SEC. 272. STATE ENERGY CONSERVATION PLANS.

Section 365(f) of the Energy Policy and Conservation Act (42 U.S.C. 6325(f)) is amended by striking ''fiscal year 2008'' and inserting ''each of fiscal years 2008 through 2012''.

SEC. 273. UTILITY ENERGY EFFICIENCY PROGRAMS.

(a) ELECTRIC UTILITIES.—Section 111(d) of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2621(d)) is amended by adding at the end the following:

''(16) INTEGRATED RESOURCE PLANNING.—Each electric utility shall—

''(A) integrate energy efficiency resources into utility, State, and regional plans; and

''(B) adopt policies establishing cost-effective energy efficiency as a priority resource.

''(17) RATE DESIGN MODIFICATIONS TO PROMOTE ENERGY EFFICIENCY INVESTMENTS.—

''(A) IN GENERAL.—The rates allowed to be charged by any electric utility shall—

''(i) align utility incentives with the delivery of cost-effective energy efficiency; and

''(ii) promote energy efficiency investments.

''(B) POLICY OPTIONS.—In complying with subparagraph (A), each State regulatory authority and each nonregulated utility shall consider—

''(i) removing the throughput incentive and other regulatory and management disincentives to energy efficiency;

''(ii) providing utility incentives for the successful management of energy efficiency programs;

''(iii) including the impact on adoption of energy efficiency as 1 of the goals of retail rate design, recognizing that energy efficiency must be balanced with other objectives;

''(iv) adopting rate designs that encourage energy efficiency for each customer class; and

''(v) allowing timely recovery of energy efficiency-related costs.''.

(b) NATURAL GAS UTILITIES.—Section 303(b) of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 3203(b)) is amended by adding at the end the following:

''(5) ENERGY EFFICIENCY.—Each natural gas utility shall—

''(A) integrate energy efficiency resources into the plans and planning processes of the natural gas utility; and

''(B) adopt policies that establish energy efficiency as a priority resource in the plans and planning processes of the natural gas utility.

''(6) RATE DESIGN MODIFICATIONS TO PROMOTE ENERGY EFFICIENCY INVESTMENTS.—

''(A) IN GENERAL.—The rates allowed to be charged by a natural gas utility shall align utility incentives with the deployment of cost-effective energy efficiency.

''(B) POLICY OPTIONS.—In complying with subparagraph (A), each State regulatory authority and each nonregulated utility shall consider—

''(i) separating fixed-cost revenue recovery from the volume of transportation or sales service provided to the customer;

''(ii) providing to utilities incentives for the successful management of energy efficiency programs, such as allowing utilities to retain a portion of the cost-reducing benefits accruing from the programs;

''(iii) promoting the impact on adoption of energy efficiency as 1 of the goals of retail rate design, recognizing that energy efficiency must be balanced with other objectives; and

''(iv) adopting rate designs that encourage energy efficiency for each customer class.''.

SEC. 274. ENERGY EFFICIENCY AND DEMAND RESPONSE PROGRAM ASSISTANCE.

The Secretary shall provide technical assistance regarding the design and implementation of the energy efficiency and demand response programs established under this title, and the amendments made by this title, to State energy offices, public utility regulatory commissions, and nonregulated utilities through the appropriate national laboratories of the Department of Energy.

SEC. 275. ENERGY AND ENVIRONMENTAL BLOCK GRANT.

Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) is amended by adding at the end the following:

''SEC. 123. ENERGY AND ENVIRONMENTAL BLOCK GRANT.

''(a) DEFINITIONS.—In this section

''(1) ELIGIBLE ENTITY.—The term 'eligible entity' means—

''(A) a State;

''(B) an eligible unit of local government within a State; and

''(C) an Indian tribe.

''(2) ELIGIBLE UNIT OF LOCAL GOVERNMENT.—The term 'eligible unit of local government' means—

''(A) a city with a population—

''(i) of at least 35,000; or

''(ii) that causes the city to be 1 of the top 10 most populous cities of the State in which the city is located; and

''(B) a county with a population—

''(i) of at least 200,000; or

''(ii) that causes the county to be 1 of the top 10 most populous counties of the State in which the county is located.

''(3) SECRETARY.—The term 'Secretary' means the Secretary of Energy.

''(4) STATE.—The term 'State' means—

''(A) a State;

''(B) the District of Columbia;

''(C) the Commonwealth of Puerto Rico; and

''(D) any other territory or possession of the United States.

''(b) PURPOSE.—The purpose of this section is to assist State and local governments in implementing strategies—

''(1) to reduce fossil fuel emissions created as a result of activities within the boundaries of the States or units of local government;

''(2) to reduce the total energy use of the States and units of local government; and

''(3) to improve energy efficiency in the transportation sector, building sector, and any other appropriate sectors.

''(c) PROGRAM.—

''(1) IN GENERAL.—The Secretary shall provide to eligible entities block grants to carry out eligible activities (as specified under paragraph (2)) relating to the implementation of environmentally beneficial energy strategies.

''(2) ELIGIBLE ACTIVITIES.—The Secretary, in consultation with the Administrator of the Environmental Protection Agency, the Secretary of Transportation, and the Secretary of Housing and Urban Development, shall establish a list of activities that are eligible for assistance under the grant program.

''(3) ALLOCATION TO STATES AND ELIGIBLE UNITS OF LOCAL GOVERNMENT.—

''(A) IN GENERAL.—Of the amounts made available to provide grants under this subsection, the Secretary shall allocate—

''(i) 70 percent to eligible units of local government; and

''(ii) 30 percent to States.

''(B) DISTRIBUTION TO ELIGIBLE UNITS OF LOCAL GOVERNMENT.—

''(i) IN GENERAL.—The Secretary shall establish a formula for the distribution of amounts under subparagraph (A)(i) to eligible units of local government, taking into account any factors that the Secretary determines to be appropriate, including the residential and daytime population of the eligible units of local government.

''(ii) CRITERIA.—Amounts shall be distributed to eligible units of local government under clause (i) only if the eligible units of local government meet the criteria for distribution established by the Secretary for units of local government.

''(C) DISTRIBUTION TO STATES.—

''(i) IN GENERAL.—Of the amounts provided to States under subparagraph (A)(ii), the Secretary shall distribute—

''(I) at least 1.25 percent to each State; and

''(II) the remainder among the States, based on a formula, to be determined by the Secretary, that takes into account the population of the States and any other criteria that the Secretary determines to be appropriate.

''(ii) CRITERIA.—Amounts shall be distributed to States under clause (i) only if the States meet the criteria for distribution established by the Secretary for States.

''(iii) LIMITATION ON USE OF STATE FUNDS.—At least 40 percent of the amounts distributed to States under this subparagraph shall be used by the States for the conduct of eligible activities in nonentitlement areas in the States, in accordance with any criteria established by the Secretary.

''(4) REPORT.—Not later than 2 years after the date on which an eligible entity first receives a grant under this section, and every 2 years thereafter, the eligible entity shall submit to the Secretary a report that describes any eligible activities carried out using assistance provided under this subsection.

''(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this subsection for each of fiscal years 2008 through 2012.

''(d) ENVIRONMENTALLY BENEFICIAL ENERGY STRATEGIES SUPPLEMENTAL GRANT PROGRAM.—

''(1) IN GENERAL.—The Secretary shall provide to each eligible entity that meets the applicable criteria under subparagraph (B)(ii) or (C)(ii) of subsection (c)(3) a supplemental grant to pay the Federal share of the total costs of carrying out an activity relating to the implementation of an environmentally beneficial energy strategy.

''(2) REQUIREMENTS.—To be eligible for a grant under paragraph (1), an eligible entity shall—

''(A) demonstrate to the satisfaction of the Secretary that the eligible entity meets the applicable criteria under subparagraph (B)(ii) or (C)(ii) of subsection (c)(3); and

''(B) submit to the Secretary for approval a plan that describes the activities to be funded by the grant.

''(3) COST-SHARING REQUIREMENT.—

''(A) FEDERAL SHARE.—The Federal share of the cost of carrying out any activities under this subsection shall be 75 percent.

''(B) NON-FEDERAL SHARE.—

''(i) FORM.—Not more than 50 percent of the non-Federal share may be in the form of in-kind contributions.

''(ii) LIMITATION.—Amounts provided to an eligible entity under subsection (c) shall not be used toward the non-Federal share.

''(4) MAINTENANCE OF EFFORT.—An eligible entity shall provide assurances to the Secretary that funds provided to the eligible entity under this subsection will be used only to supplement, not to supplant, the amount of Federal, State, and local funds otherwise expended by the eligible entity for eligible activities under this subsection.

''(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this subsection for each of fiscal years 2008 through 2012.

''(e) GRANTS TO OTHER STATES AND COMMUNITIES.—

''(1) IN GENERAL.—Of the total amount of funds that are made available each fiscal year to carry out this section, the Secretary shall use 2 percent of the amount to make competitive grants under this section to States and units of local government that are not eligible entities or to consortia of such units of local government.

''(2) APPLICATIONS.—To be eligible for a grant under this subsection, a State, unit of local government, or consortia described in paragraph (1) shall apply to the Secretary for a grant to carry out an activity that would otherwise be eligible for a grant under subsection (c) or (d).

''(3) PRIORITY.—In awarding grants under this subsection, the Secretary shall give priority to—

''(A) States with populations of less than 2,000,000; and

''(B) projects that would result in significant energy efficiency improvements, reductions in fossil fuel use, or capital improvements.''.

SEC. 276. ENERGY SUSTAINABILITY AND EFFICIENCY GRANTS FOR INSTITUTIONS OF HIGHER EDUCATION.

Part G of title III of the Energy Policy and Conservation Act is amended by inserting after section 399 (42 U.S.C. 371h) the following:

''SEC. 399A. ENERGY SUSTAINABILITY AND EFFICIENCY GRANTS FOR INSTITUTIONS OF HIGHER EDUCATION.

''(a) DEFINITIONS.—In this section:

''(1) ENERGY SUSTAINABILITY.—The term 'energy sustainability' includes using a renewable energy resource and a highly efficient technology for electricity generation, transportation, heating, or cooling.

''(2) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given the term in section 2 of the Energy Policy Act of 2005 (42 U.S.C. 15801).

''(b) GRANTS FOR ENERGY EFFICIENCY IMPROVEMENT.—

''(1) IN GENERAL.—The Secretary shall award not more than 100 grants to institutions of higher education to carry out projects to improve energy efficiency on the grounds and facilities of the institution of higher education, including not less than 1 grant to an institution of higher education in each State.

''(2) CONDITION.—As a condition of receiving a grant under this subsection, an institution of higher education shall agree to—

''(A) implement a public awareness campaign concerning the project in the community in which the institution of higher education is located; and

''(B) submit to the Secretary, and make available to the public, reports on any efficiency improvements, energy cost savings, and environmental benefits achieved as part of a project carried out under paragraph (1).

''(c) GRANTS FOR INNOVATION IN ENERGY SUSTAINABILITY.—

''(1) IN GENERAL.—The Secretary shall award not more than 250 grants to institutions of higher education to engage in innovative energy sustainability projects, including not less than 2 grants to institutions of higher education in each State.

''(2) INNOVATION PROJECTS.—An innovation project carried out with a grant under this subsection shall—

''(A) involve—

''(i) an innovative technology that is not yet commercially available; or

''(ii) available technology in an innovative application that maximizes energy efficiency and sustainability;

''(B) have the greatest potential for testing or demonstrating new technologies or processes; and

''(C) ensure active student participation in the project, including the planning, implementation, evaluation, and other phases of the project.

''(3) CONDITION.—As a condition of receiving a grant under this subsection, an institution of higher education shall agree to submit to the Secretary, and make available to the public, reports that describe the results of the projects carried out under paragraph (1).

''(d) AWARDING OF GRANTS.—

''(1) APPLICATION.—An institution of higher education that seeks to receive a grant under this section may submit to the Secretary an application for the grant at such time, in such form, and containing such information as the Secretary may prescribe.

''(2) SELECTION.—The Secretary shall establish a committee to assist in the selection of grant recipients under this section.

''(e) ALLOCATION TO INSTITUTIONS OF HIGHER EDUCATION WITH SMALL ENDOWMENTS.—Of the amount of grants provided for a fiscal year under this section, the Secretary shall provide not less 50 percent of the amount to institutions of higher education that have an endowment of not more than $100,000,000, with 50 percent of the allocation set aside for institutions of higher education that have an endowment of not more than $50,000,000.

''(f) GRANT AMOUNTS.—The maximum amount of grants for a project under this section shall not exceed—

''(1) in the case of grants for energy efficiency improvement under subsection (b), $1,000,000; or

''(2) in the case of grants for innovation in energy sustainability under subsection (c), $500,000.

''(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2008 through 2012.''.

SEC. 277. WORKFORCE TRAINING.

Section 1101 of the Energy Policy Act of 2005 (42 U.S.C. 16411) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following:

''(d) WORKFORCE TRAINING.—

''(1) IN GENERAL.—The Secretary, in cooperation with the Secretary of Labor, shall promulgate regulations to implement a program to provide workforce training to meet the high demand for workers skilled in the energy efficiency and renewable energy industries.

''(2) CONSULTATION.—In carrying out this subsection, the Secretary shall consult with representatives of the energy efficiency and renewable energy industries concerning skills that are needed in those industries.''.

SEC. 278. ASSISTANCE TO STATES TO REDUCE SCHOOL BUS IDLING.

(a) STATEMENT OF POLICY.—Congress encourages each local educational agency (as defined in section 9101(26) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801(26))) that receives Federal funds under the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) to develop a policy to reduce the incidence of school bus idling at schools while picking up and unloading students.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary, working in coordination with the Secretary of Education, $5,000,000 for each of fiscal years 2007 through 2012 for use in educating States and local education agencies about—

(1) benefits of reducing school bus idling; and

(2) ways in which school bus idling may be reduced.

TITLE III—CARBON CAPTURE AND STORAGE RESEARCH, DEVELOPMENT, AND DEMONSTRATION

SEC. 301. SHORT TITLE.

This title may be cited as the ''Carbon Capture and Sequestration Act of 2007''.

SEC. 302. CARBON CAPTURE AND STORAGE RESEARCH, DEVELOPMENT, AND DEMONSTRATION PROGRAM.

Section 963 of the Energy Policy Act of 2005 (42 U.S.C. 16293) is amended—

(1) in the section heading, by striking ''**RESEARCH AND DEVELOPMENT**'' and inserting ''**AND STORAGE RESEARCH, DEVELOPMENT, AND DEMONSTRATION**'';

(2) in subsection (a)—

(A) by striking ''research and development'' and inserting ''and storage research, development, and demonstration''; and

(B) by striking ''capture technologies on combustion-based systems'' and inserting ''capture and storage technologies related to energy systems'';

(3) in subsection (b)—

(A) in paragraph (3), by striking ''and'' at the end;

(B) in paragraph (4), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(5) to expedite and carry out large-scale testing of carbon sequestration systems in a range of geological formations that will provide information on the cost and feasibility of deployment of sequestration technologies.''; and

(4) by striking subsection (c) and inserting the following:

''(c) PROGRAMMATIC ACTIVITIES.—

''(1) ENERGY RESEARCH AND DEVELOPMENT UNDERLYING CARBON CAPTURE AND STORAGE TECHNOLOGIES AND CARBON USE ACTIVITIES.—

''(A) IN GENERAL.—The Secretary shall carry out fundamental science and engineering research (including laboratory-scale experiments, numeric modeling, and simulations) to develop and document the performance of new approaches to capture and store, recycle, or reuse carbon dioxide.

''(B) PROGRAM INTEGRATION.—The Secretary shall ensure that fundamental research carried out under this paragraph is appropriately applied to energy technology development activities, the field testing of carbon sequestration, and carbon use activities, including—

''(i) development of new or improved technologies for the capture of carbon dioxide;

''(ii) development of new or improved technologies that reduce the cost and increase the efficacy of the compression of carbon dioxide required for the storage of carbon dioxide;

''(iii) modeling and simulation of geological sequestration field demonstrations;

''(iv) quantitative assessment of risks relating to specific field sites for testing of sequestration technologies; and

''(v) research and development of new and improved technologies for carbon use, including recycling and reuse of carbon dioxide.

''(2) CARBON CAPTURE DEMONSTRATION PROJECT.—

''(A) IN GENERAL.—The Secretary shall carry out a demonstration of large-scale carbon dioxide capture from an appropriate gasification facility selected by the Secretary.

''(B) LINK TO STORAGE ACTIVITIES.—The Secretary may require the use of carbon dioxide from the project carried out under subparagraph (A) in a field testing validation activity under this section.

''(3) FIELD VALIDATION TESTING ACTIVITIES.—

''(A) IN GENERAL.—The Secretary shall promote, to the maximum extent practicable, regional carbon sequestration partnerships to conduct geologic sequestration tests involving carbon dioxide injection and monitoring, mitigation, and verification operations in a variety of candidate geological settings, including—

''(i) operating oil and gas fields;

''(ii) depleted oil and gas fields;

''(iii) unmineable coal seams;

''(iv) deep saline formations;

''(v) deep geological systems that may be used as engineered reservoirs to extract economical quantities of heat from geothermal resources of low permeability or porosity; and

''(vi) deep geologic systems containing basalt formations.

''(B) OBJECTIVES.—The objectives of tests conducted under this paragraph shall be—

''(i) to develop and validate geophysical tools, analysis, and modeling to monitor, predict, and verify carbon dioxide containment;

''(ii) to validate modeling of geological formations;

''(iii) to refine storage capacity estimated for particular geological formations;

''(iv) to determine the fate of carbon dioxide concurrent with and following injection into geological formations;

''(v) to develop and implement best practices for operations relating to, and monitoring of, injection and storage of carbon dioxide in geologic formations;

''(vi) to assess and ensure the safety of operations related to geological storage of carbon dioxide; and

''(vii) to allow the Secretary to promulgate policies, procedures, requirements, and guidance to ensure that the objectives of this subparagraph are met in large-scale testing and deployment activities for carbon capture and storage that are funded by the Department of Energy.

''(4) LARGE-SCALE TESTING AND DEPLOYMENT.—

''(A) IN GENERAL.—The Secretary shall conduct not less than 7 initial large-volume sequestration tests for geological containment of carbon dioxide (at least 1 of which shall be international in scope) to validate information on the cost and feasibility of commercial deployment of technologies for geological containment of carbon dioxide.

''(B) DIVERSITY OF FORMATIONS TO BE STUDIED.—In selecting formations for study under this paragraph, the Secretary shall consider a variety of geological formations across the United States, and require characterization and modeling of candidate formations, as determined by the Secretary.

''(5) PREFERENCE IN PROJECT SELECTION FROM MERITORIOUS PROPOSALS.—In making competitive awards under this subsection, subject to the requirements of section 989, the Secretary shall give preference to proposals from partnerships among industrial, academic, and government entities.

''(6) COST SHARING.—Activities under this subsection shall be considered research and development activities that are subject to the cost-sharing requirements of section 988(b).

''(7) PROGRAM REVIEW AND REPORT.—During fiscal year 2011, the Secretary shall—

''(A) conduct a review of programmatic activities carried out under this subsection; and

''(B) make recommendations with respect to continuation of the activities.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

''(1) $150,000,000 for fiscal year 2008;

''(2) $200,000,000 for fiscal year 2009;

''(3) $200,000,000 for fiscal year 2010;

''(4) $180,000,000 for fiscal year 2011; and

''(5) $165,000,000 for fiscal year 2012.''.

SEC. 303. CARBON DIOXIDE STORAGE CAPACITY ASSESSMENT.

(a) DEFINITIONS.—In this section

(1) ASSESSMENT.—The term ''assessment'' means the national assessment of capacity for carbon dioxide completed under subsection (f).

(2) CAPACITY.—The term ''capacity'' means the portion of a storage formation that can retain carbon dioxide in accordance with the requirements (including physical, geological, and economic requirements) established under the methodology developed under subsection (b).

(3) ENGINEERED HAZARD.—The term ''engineered hazard'' includes the location and completion history of any well that could affect potential storage.

(4) RISK.—The term ''risk'' includes any risk posed by geomechanical, geochemical, hydrogeological, structural, and engineered hazards.

(5) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior, acting through the Director of the United States Geological Survey.

(6) STORAGE FORMATION.—The term ''storage formation'' means a deep saline formation, unmineable coal seam, or oil or gas reservoir that is capable of accommodating a volume of industrial carbon dioxide.

(b) METHODOLOGY.—Not later than 1 year after the date of enactment of this Act, the Secretary shall develop a methodology for conducting an assessment under subsection (f), taking into consideration—

(1) the geographical extent of all potential storage formations in all States;

(2) the capacity of the potential storage formations;

(3) the injectivity of the potential storage formations;

(4) an estimate of potential volumes of oil and gas recoverable by injection and storage of industrial carbon dioxide in potential storage formations;

(5) the risk associated with the potential storage formations; and

(6) the Carbon Sequestration Atlas of the United States and Canada that was completed by the Department of Energy in April 2006.

(c) COORDINATION.—

(1) FEDERAL COORDINATION.—

(A) CONSULTATION.—The Secretary shall consult with the Secretary of Energy and the Administrator of the Environmental Protection Agency on issues of data sharing, format, development of the methodology, and content of the assessment required under this title to ensure the maximum usefulness and success of the assessment.

(B) COOPERATION.—The Secretary of Energy and the Administrator shall cooperate with the Secretary to ensure, to the maximum extent practicable, the usefulness and success of the assessment.

(2) STATE COORDINATION.—The Secretary shall consult with State geological surveys and other relevant entities to ensure, to the maximum extent practicable, the usefulness and success of the assessment.

(d) EXTERNAL REVIEW AND PUBLICATION.—On completion of the methodology under subsection (b), the Secretary shall—

(1) publish the methodology and solicit comments from the public and the heads of affected Federal and State agencies;

(2) establish a panel of individuals with expertise in the matters described in paragraphs (1) through (5) of subsection (b) composed, as appropriate, of representatives of Federal agencies, institutions of higher education, nongovernmental organizations, State organizations, industry, and international geoscience organizations to review the methodology and comments received under paragraph (1); and

(3) on completion of the review under paragraph (2), publish in the Federal Register the revised final methodology.

(e) PERIODIC UPDATES.—The methodology developed under this section shall be updated periodically (including at least once every 5 years) to incorporate new data as the data becomes available.

(f) NATIONAL ASSESSMENT.—

(1) IN GENERAL.—Not later than 2 years after the date of publication of the methodology under subsection (d)(1), the Secretary, in consultation with the Secretary of Energy and State geological surveys, shall complete a national assessment of capacity for carbon dioxide in accordance with the methodology.

(2) GEOLOGICAL VERIFICATION.—As part of the assessment under this subsection, the Secretary shall carry out a drilling program to supplement the geological data relevant to determining storage capacity of carbon dioxide in geological storage formations, including—

(A) well log data;

(B) core data; and

(C) fluid sample data.

(3) PARTNERSHIP WITH OTHER DRILLING PROGRAMS.—As part of the drilling program under paragraph (2), the Secretary shall enter, as appropriate, into partnerships with other entities to collect and integrate data from other drilling programs relevant to the storage of carbon dioxide in geologic formations.

(4) INCORPORATION INTO NATCARB.—

(A) IN GENERAL.—On completion of the assessment, the Secretary of Energy shall incorporate the results of the assessment using the NatCarb database, to the maximum extent practicable.

(B) RANKING.—The database shall include the data necessary to rank potential storage sites for capacity and risk, across the United States, within each State, by formation, and within each basin.

(5) REPORT.—Not later than 180 days after the date on which the assessment is completed, the Secretary shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Science and Technology of the House of Representatives a report describing the findings under the assessment.

(6) PERIODIC UPDATES.—The national assessment developed under this section shall be updated periodically (including at least once every 5 years) to support public and private sector decisionmaking.

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $30,000,000 for the period of fiscal years 2008 through 2012.

SEC. 304. CARBON CAPTURE AND STORAGE INITIATIVE.

(a) DEFINITIONS.—In this section:

(1) INDUSTRIAL SOURCES OF CARBON DIOXIDE.—The term ''industrial sources of carbon dioxide'' means one or more facilities to—

(A) generate electric energy from fossil fuels;

(B) refine petroleum;

(C) manufacture iron or steel;

(D) manufacture cement or cement clinker;

(E) manufacture commodity chemicals (including from coal gasification); or

(F) manufacture transportation fuels from coal.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Energy.

(b) PROGRAM ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary shall carry out a program to demonstrate technologies for the large-scale capture of carbon dioxide from industrial sources of carbon dioxide.

(2) SCOPE OF AWARD.—An award under this section shall be only for the portion of the project that carries out the large-scale capture (including purification and compression) of carbon dioxide, as well as the cost of transportation and injection of carbon dioxide.

(3) QUALIFICATIONS FOR AWARD.—To be eligible for an award under this section, a project proposal must include the following:

(A) CAPACITY.—The capture of not less than eighty-five percent of the produced carbon dioxide at the facility, and not less than 500,000 short tons of carbon dioxide per year.

(B) STORAGE AGREEMENT.—A binding agreement for the storage of all of the captured carbon dioxide in—

(i) a field testing validation activity under section 963 of the Energy Policy Act of 2005, as amended by this Act; or

(ii) other geological storage projects approved by the Secretary.

(C) PURITY LEVEL.—A purity level of at least 95 percent for the captured carbon dioxide delivered for storage.

(D) COMMITMENT TO CONTINUED OPERATION OF SUCCESSFUL UNIT.—If the project successfully demonstrates capture and storage of carbon dioxide, a commitment to continued capture and storage of carbon dioxide after the conclusion of the demonstration.

(4) COST-SHARING.—The cost-sharing requirements of section 988 of the Energy Policy Act of 2005 shall apply to this section.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section $100,000,000 per year for fiscal years 2009 through 2013.

TITLE IV—PUBLIC BUILDINGS COST REDUCTION

SEC. 401. SHORT TITLE.

This title may be cited as the ''Public Buildings Cost Reduction Act of 2007''.

SEC. 402. COST-EFFECTIVE TECHNOLOGY ACCELERATION PROGRAM.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—The Administrator of General Services (referred to in this section as the ''Administrator'') shall establish a program to accelerate the use of more cost-effective technologies and practices at GSA facilities.

(2) REQUIREMENTS.—The program established under this subsection shall—

(A) ensure centralized responsibility for the coordination of cost reduction recommendations, practices, and activities of all relevant Federal agencies;

(B) provide technical assistance and operational guidance to applicable tenants in order to achieve the goals identified in subsection (c)(2)(A); and

(C) establish methods to track the success of departments and agencies with respect to the goals identified in subsection (c)(2)(A).

(b) ACCELERATED USE OF COST-EFFECTIVE LIGHTING TECHNOLOGIES.—

(1) REVIEW.—

(A) IN GENERAL.—As part of the program under this subsection, not later than 90 days after the date of enactment of this Act, the Administrator shall conduct a review of—

(i) current use of cost-effective lighting technologies in GSA facilities; and

(ii) the availability to managers of GSA facilities of cost-effective lighting technologies.

(B) REQUIREMENTS.—The review under subparagraph (A) shall—

(i) examine the use of cost-effective lighting technologies and other cost-effective technologies and practices by Federal agencies in GSA facilities; and

(ii) identify, in consultation with the Environmental Protection Agency, cost-effective lighting technology standards that could be used for all types of GSA facilities.

(2) REPLACEMENT.—

(A) IN GENERAL.—As part of the program under this subsection, not later than 180 days after the date of enactment of this Act, the Administrator shall establish a cost-effective lighting technology acceleration program to achieve maximum feasible replacement of existing lighting technologies with more cost-effective lighting technologies in each GSA facility using available appropriations.

(B) ACCELERATION PLAN TIMETABLE.—

(i) IN GENERAL.—To implement the program established under subparagraph (A), not later than 1 year after the date of enactment of this Act, the Administrator shall establish a timetable including milestones for specific activities needed to replace existing lighting technologies with more cost-effective lighting technologies, to the maximum extent feasible (including at the maximum rate feasible), at each GSA facility.

(ii) GOAL.—The goal of the timetable under clause (i) shall be to complete, using available appropriations, maximum feasible replacement of existing lighting technologies with more cost-effective lighting technologies by not later than the date that is 5 years after the date of enactment of this Act.

(c) GSA FACILITY COST-EFFECTIVE TECHNOLOGIES AND PRACTICES.—Not later than 180 days after the date of enactment of this Act, and annually thereafter, the Administrator shall—

(1) ensure that a manager responsible for accelerating the use of cost-effective technologies and practices is designated for each GSA facility; and

(2) submit to Congress a plan, to be implemented to the maximum extent feasible (including at the maximum rate feasible) using available appropriations, by not later than the date that is 5 years after the date of enactment of this Act, that—

(A) identifies the specific activities needed to achieve a 20-percent reduction in operational costs through the application of cost-effective technologies and practices from 2003 levels at GSA facilities by not later than 5 years after the date of enactment of this Act;

(B) describes activities required and carried out to estimate the funds necessary to achieve the reduction described in subparagraph (A);

(C) describes the status of the implementation of cost-effective technologies and practices at GSA facilities, including—

(i) the extent to which programs, including the program established under subsection (b), are being carried out in accordance with this title; and

(ii) the status of funding requests and appropriations for those programs;

(D) identifies within the planning, budgeting, and construction process all types of GSA facility-related procedures that inhibit new and existing GSA facilities from implementing cost-effective technologies and practices;

(E) recommends language for uniform standards for use by Federal agencies in implementing cost-effective technologies and practices;

(F) in coordination with the Office of Management and Budget, reviews the budget process for capital programs with respect to alternatives for—

(i) permitting Federal agencies to retain all identified savings accrued as a result of the use of cost-effective technologies and practices; and

(ii) identifying short- and long-term cost savings that accrue from cost-effective technologies and practices;

(G) achieves cost savings through the application of cost-effective technologies and practices sufficient to pay the incremental additional costs of installing the cost-effective technologies and practices by not later than the date that is 5 years after the date of installation; and

(H) includes recommendations to address each of the matters, and a plan for implementation of each recommendation, described in subparagraphs (A) through (G).

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section, to remain available until expended.

SEC. 403. ENVIRONMENTAL PROTECTION AGENCY DEMONSTRATION GRANT PROGRAM FOR LOCAL GOVERNMENTS.

(a) GRANT PROGRAM.—

(1) IN GENERAL.—The Administrator of the Environmental Protection Agency (referred to in this section as the ''Administrator'') shall establish a demonstration program under which the Administrator shall provide competitive grants to assist local governments (such as municipalities and counties), with respect to local government buildings—

(A) to deploy cost-effective technologies and practices; and

(B) to achieve operational cost savings, through the application of cost-effective technologies and practices, as verified by the Administrator.

(2) COST SHARING.—

(A) IN GENERAL.—The Federal share of the cost of an activity carried out using a grant provided under this section shall be 40 percent.

(B) WAIVER OF NON-FEDERAL SHARE.—The Administrator may waive up to 100 percent of the local share of the cost of any grant under this section should the Administrator determine that the community is economically distressed, pursuant to objective economic criteria established by the Administrator in published guidelines.

(3) MAXIMUM AMOUNT.—The amount of a grant provided under this subsection shall not exceed $1,000,000.

(b) GUIDELINES.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Administrator shall issue guidelines to implement the grant program established under subsection (a).

(2) REQUIREMENTS.—The guidelines under paragraph (1) shall establish—

(A) standards for monitoring and verification of operational cost savings through the application of cost-effective technologies and practices reported by grantees under this section;

(B) standards for grantees to implement training programs, and to provide technical assistance and education, relating to the retrofit of buildings using cost-effective technologies and practices; and

(C) a requirement that each local government that receives a grant under this section shall achieve facility-wide cost savings, through renovation of existing local government buildings using cost-effective technologies and practices, of at least 40 percent as compared to the baseline operational costs of the buildings before the renovation (as calculated assuming a 3-year, weather-normalized average).

(c) COMPLIANCE WITH STATE AND LOCAL LAW.—Nothing in this section or any program carried out using a grant provided under this section supersedes or otherwise affects any State or local law, to the extent that the State or local law contains a requirement that is more stringent than the relevant requirement of this section.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2007 through 2012.

(e) REPORTS.—

(1) IN GENERAL.—The Administrator shall provide annual reports to Congress on cost savings achieved and actions taken and recommendations made under this section, and any recommendations for further action.

(2) FINAL REPORT.—The Administrator shall issue a final report at the conclusion of the program, including findings, a summary of total cost savings achieved, and recommendations for further action.

(f) TERMINATION.—The program under this section shall terminate on September 30, 2012.

SEC. 404. DEFINITIONS.

In this title:

(1) COST-EFFECTIVE LIGHTING TECHNOLOGY.—

(A) IN GENERAL.—The term ''cost-effective lighting technology'' means a lighting technology that—

(i) will result in substantial operational cost savings by ensuring an installed consumption of not more than 1 watt per square foot; or

(ii) is contained in a list under—

(I) section 553 of Public Law 95–619 (42 U.S.C. 8259b); and

(II) Federal acquisition regulation 23–203.

(B) INCLUSIONS.—The term ''cost-effective lighting technology'' includes—

(i) lamps;

(ii) ballasts;

(iii) luminaires;

(iv) lighting controls;

(v) daylighting; and

(vi) early use of other highly cost-effective lighting technologies.

(2) COST-EFFECTIVE TECHNOLOGIES AND PRACTICES.—The term ''cost-effective technologies and practices'' means a technology or practice that—

(A) will result in substantial operational cost savings by reducing utility costs; and

(B) complies with the provisions of section 553 of Public Law 95–619 (42 U.S.C. 8259b) and Federal acquisition regulation 23–203.

(3) OPERATIONAL COST SAVINGS.—

(A) IN GENERAL.—The term ''operational cost savings'' means a reduction in end-use operational costs through the application of cost-effective technologies and practices, including a reduction in electricity consumption relative to consumption by the same customer or at the same facility in a given year, as defined in guidelines promulgated by the Administrator pursuant to section 403(b), that achieves cost savings sufficient to pay the incremental additional costs of using cost-effective technologies and practices by not later than the date that is 5 years after the date of installation.

(B) INCLUSIONS.—The term ''operational cost savings'' includes savings achieved at a facility as a result of—

(i) the installation or use of cost-effective technologies and practices; or

(ii) the planting of vegetation that shades the facility and reduces the heating, cooling, or lighting needs of the facility.

(C) EXCLUSION.—The term ''operational cost savings'' does not include savings from measures that would likely be adopted in the absence of cost-effective technology and practices programs, as determined by the Administrator.

(4) GSA FACILITY.—

(A) IN GENERAL.—The term ''GSA facility'' means any building, structure, or facility, in whole or in part (including the associated support systems of the building, structure, or facility) that—

(i) is constructed (including facilities constructed for lease), renovated, or purchased, in whole or in part, by the Administrator for use by the Federal Government; or

(ii) is leased, in whole or in part, by the Administrator for use by the Federal Government—

(I) except as provided in subclause (II), for a term of not less than 5 years; or

(II) for a term of less than 5 years, if the Administrator determines that use of cost-effective technologies and practices would result in the payback of expenses.

(B) INCLUSION.—The term ''GSA facility'' includes any group of buildings, structures, or facilities described in subparagraph (A) (including the associated energy-consuming support systems of the buildings, structures, and facilities).

(C) EXEMPTION.—The Administrator may exempt from the definition of ''GSA facility'' under this paragraph a building, structure, or facility that meets the requirements of section 543(c) of Public Law 95–619 (42 U.S.C. 8253(c)).

TITLE V—CORPORATE AVERAGE FUEL ECONOMY STANDARDS

SEC. 501. SHORT TITLE.

This title may be cited as the ''Ten-in-Ten Fuel Economy Act''.

SEC. 502. AVERAGE FUEL ECONOMY STANDARDS FOR AUTOMOBILES, MEDIUM-DUTY TRUCKS, AND HEAVY DUTY TRUCKS.

(a) INCREASED STANDARDS.—Section 32902 of title 49, United States Code, is amended—

(1) by striking ''**Non-Passenger Automobiles**.—'' in subsection (a) and inserting ''**Prescription of Standards by Regulation**.—'';

(2) by striking ''automobiles (except passenger automobiles)'' in subsection (a) and inserting ''automobiles, medium-duty trucks, and heavy-duty trucks''; and

(3) by striking subsection (b) and inserting the following:

''(b) STANDARDS FOR AUTOMOBILES, MEDIUM-DUTY TRUCKS, AND HEAVY-DUTY TRUCKS.—

''(1) IN GENERAL.—The Secretary of Transportation, after consultation with the Administrator of the Environmental Protection Agency, shall prescribe average fuel economy standards for automobiles, medium-duty trucks, and heavy-duty trucks manufactured by a manufacturer in each model year beginning with model year 2011 in accordance with subsection (c).

''(2) ANNUAL INCREASES IN FUEL ECONOMY STANDARDS.—

''(A) BASELINE AVERAGE FUEL ECONOMY STANDARDS FOR MEDIUM- AND HEAVY-DUTY TRUCKS.—For the first 2 model years beginning after the submission to Congress of the initial report by the National Academy of Sciences required by section 510 of the Ten-in-Ten Fuel Economy Act, the average fuel economy required to be attained for each attribute class of medium-duty trucks and heavy-duty trucks shall be the average combined highway and city miles-per-gallon performance of all vehicles within that class in the model year immediately preceding the first of those 2 model years (rounded to the nearest 1/10 mile per gallon).

''(B) MEDIUM- AND HEAVY-DUTY TRUCK FUEL ECONOMY AVERAGE AFTER BASELINE MODEL YEAR.—For each model year beginning after the 2 model years specified in subparagraph (A), the average fuel economy required to be attained by the fleet of medium-duty trucks and heavy-duty trucks manufactured in the United States shall be at least 4 percent greater than the average fuel economy required to be attained for the fleet in the previous model year (rounded to the nearest 1/10 mile per gallon). Standards shall be issued for medium-duty trucks and heavy-duty trucks for 20 model years.

''(3) FUEL ECONOMY TARGET FOR AUTOMOBILES.—

''(A) BASELINE AVERAGE FUEL ECONOMY STANDARDS FOR AUTOMOBILES.—The Secretary shall prescribe average fuel economy standards for automobiles in each model year beginning with model year 2011 to achieve a combined fuel economy standard for model year 2020 of at least 35 miles per gallon for the fleet of automobiles manufactured or sold in the United States. The average fuel economy standards prescribed by the Secretary shall be the maximum feasible average fuel economy standards for model years 2011 through 2019.

''(B) AUTOMOBILE FUEL ECONOMY AVERAGE FOR MODEL YEARS 2021 THROUGH 2030.—For model years 2021 through 2030, the average fuel economy required to be attained by the fleet of automobiles manufactured or sold in the United States shall be at least 4 percent greater than the average fuel economy standard required to be attained for the fleet in the previous model year (rounded to the nearest 1/10 mile per gallon).''.

(b) AUTHORITY OF SECRETARY.—Section 32902 of title 49, United States Code, is amended by adding at the end thereof the following:

''(k) AUTHORITY OF THE SECRETARY.—

''(1) VEHICLE ATTRIBUTES.—The authority of the Secretary to prescribe by regulation average fuel economy standards for automobiles, medium-duty trucks, and heavy-duty trucks under this section includes the authority—

''(A) to prescribe standards based on vehicle attributes and to express the standards in the form of a mathematical function; and

''(B) to issue regulations under this title prescribing average fuel economy standards for 1 or more model years.

''(2) PROHIBITION OF UNIFORM PERCENTAGE INCREASE.—When the Secretary prescribes a standard, or prescribes an amendment under this section that changes a standard, the standard may not be expressed as a uniform percentage increase from the fuel-economy performance of attribute classes or categories already achieved in a model year by a manufacturer.''.

SEC. 503. AMENDING FUEL ECONOMY STANDARDS.

(a) IN GENERAL.—Section 32902(c) of title 49, United States Code, is amended to read as follows:

''(c) AMENDING FUEL ECONOMY STANDARDS.—

''(1) IN GENERAL.—Notwithstanding subsections (a) and (b), the Secretary of Transportation—

''(A) may prescribe a standard higher than that required under subsection (b); or

''(B) may prescribe an average fuel economy standard for a class of automobiles, medium-duty trucks, or heavy-duty trucks that is the maximum feasible level for the model

year, despite being lower than the standard required under subsection (b), if the Secretary, based on clear and convincing evidence, that the average fuel economy standard prescribed in accordance with subsections (a) and (b) for that class of vehicles in that model year is shown not to be cost-effective.

''(2) REQUIREMENTS FOR LOWER STANDARD.—Before adopting an average fuel economy standard for a class of automobiles, medium-duty trucks, or heavy-duty trucks in a model year under paragraph (1)(B), the Secretary of Transportation shall do the following:

''(A) NOTICE OF PROPOSED RULE.—Except for standards to be promulgated by 2011, at least 30 months before the model year for which the standard is to apply, the Secretary shall post a notice of proposed rulemaking for the proposed standard. The notice shall include a detailed analysis of the basis for the Secretary's determination under paragraph (1)(B).

''(B) FINAL RULE.—At least 18 months before the model year for which the standard is to apply, the Secretary shall promulgate a final rule establishing the standard.

''(C) REPORT.—The Secretary shall submit a report to Congress that outlines the steps that need to be taken to avoid further reductions in average fuel economy standards.

''(3) MAXIMUM FEASIBLE STANDARD.—An average fuel economy standard prescribed for a class of automobiles, medium-duty trucks, or heavy-duty trucks in a model year under paragraph (1) shall be the maximum feasible standard.''.

(b) FEASIBILITY CRITERIA.—Section 32902(f) of title 49, United States Code, is amended to read as follows:

''(f) DECISIONS ON MAXIMUM FEASIBLE AVERAGE FUEL ECONOMY.—

''(1) IN GENERAL.—When deciding maximum feasible average fuel economy under this section, the Secretary shall consider—

''(A) economic practicability;

''(B) the effect of other motor vehicle standards of the Government on fuel economy;

''(C) environmental impacts; and

''(D) the need of the United States to conserve energy.

''(2) LIMITATIONS.—In setting any standard under subsection (b), (c), or (d), the Secretary shall ensure that each standard is the highest standard that—

''(A) is technologically achievable;

''(B) can be achieved without materially reducing the overall safety of automobiles, medium-duty trucks, and heavy-duty trucks manufactured or sold in the United States;

''(C) is not less than the standard for that class of vehicles from any prior year; and

''(D) is cost-effective.

''(3) DETERMINING COST-EFFECTIVENESS.—

''(A) IN GENERAL.—In determining cost effectiveness under paragraph (2)(D), the Secretary shall take into account the total value to the United States of reduced fuel use, including the monetary value of the reduced fuel use over the life of the vehicle.

''(B) ADDITIONAL FACTORS FOR CONSIDERATION BY SECRETARY.—The Secretary shall consider in the analysis the following factors:

''(i) Economic security.

''(ii) The impact of the oil or energy intensity of the United States economy on the sensitivity of the economy to oil and other fuel price changes, including the magnitude of gross domestic product losses in response to short term price shocks or long term price increases.

''(iii) National security, including the impact of United States payments for oil and other fuel imports on political, economic, and military developments in unstable or unfriendly oil-exporting countries.

''(iv) The uninternalized costs of pipeline and storage oil seepage, and for risk of oil spills from production, handling, and transport, and related landscape damage.

''(v) The emissions of pollutants including greenhouse gases over the lifecycle of the fuel and the resulting costs to human health, the economy, and the environment.

''(vi) Such additional factors as the Secretary deems relevant.

''(4) MINIMUM VALUATION.—When considering the value to consumers of a gallon of gasoline saved, the Secretary of Transportation shall use as a minimum value the value of the gasoline prices projected by the Energy Information Administration for the period covered by the standard beginning in the year following the year in which the standards are established.

''(5) COST-EFFECTIVE DEFINED.—In this subsection, the term 'cost-effective' means that the total value to the United States of reduced fuel use from a proposed fuel economy standard is greater than or equal to the total cost to the United States of such standard. Notwithstanding this definition, the Secretary shall not base the level of any standard on any technology whose cost to the United States is substantially more than the value to the United States of the reduction in fuel use attributable to that technology.''.

(c) CONSULTATION REQUIREMENT.—Section 32902(i) of title 49, United States Code, is amended by inserting ''and the Administrator of the Environmental Protection Agency'' after ''Energy''.

(d) COMMENTS.—Section 32902(j) of title 49, United States Code, is amended—

(1) by striking paragraph (1) and inserting:

''(1) Before issuing a notice proposing to prescribe or amend an average fuel economy standard under subsection (b), (c), or (g) of this section, the Secretary of Transportation shall give the Secretary of Energy and Administrator of the Environmental Protection Agency at least 10 days after the receipt of the notice during which the Secretary of Energy and Administrator may, if the Secretary of Energy or Administrator concludes that the proposed standard would adversely affect the conservation goals of the Secretary of Energy or environmental protection goals of the Administrator, provide written comments to the Secretary of Transportation about the impact of the standard on those goals. To the extent the Secretary of Transportation does not revise a proposed standard to take into account comments of the Secretary of Energy or Administrator on any adverse impact of the standard, the Secretary of Transportation shall include those comments in the notice.''; and

(2) by inserting ''and the Administrator'' after ''Energy'' each place it appears in paragraph (2).

(e) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 32902(d) of title 49, United States Code, is amended by striking ''passenger'' each place it appears.

(2) Section 32902(g) of title 49, United States Code, is amended—

(A) by striking ''subsection (a) or (d)'' each place it appears in paragraph (1) and inserting ''subsection (b), (c), or (d)''; and

(B) striking ''(and submit the amendment to Congress when required under subsection (c)(2) of this section)'' in paragraph (2).

SEC. 504. DEFINITIONS.

(a) IN GENERAL.—Section 32901(a) of title 49, United States Code, is amended—

(1) by striking paragraph (3) and inserting the following:

''(3) except as provided in section 32908 of this title, 'automobile' means a 4-wheeled vehicle that is propelled by fuel, or by alternative fuel, manufactured primarily for use on public streets, roads, and highways (except a vehicle operated only on a rail line), and rated at not more than 10,000 pounds gross vehicle weight.'';

(2) by inserting after paragraph (10) the following:

''(10) 'heavy-duty truck' means a truck (as defined in section 30127) with a gross vehicle weight in excess of 26,000 pounds.'';

(3) by inserting after paragraph (13) the following:

''(13) 'medium-duty truck' means a truck (as defined in section 30127) with a gross vehicle weight of at least 10,000 pounds but not more than 26,000 pounds.''; and

(4) by striking paragraph (16).

(b) DEADLINE FOR REGULATIONS.—The Secretary of Transportation—

(1) shall issue proposed regulations implementing the amendments made by subsection (a) not later than 1 year after the date of the enactment of this Act; and

(2) shall issue final regulations implementing the amendments not later than 18 months after the date of the enactment of this Act.

(c) EFFECTIVE DATE.—Regulations prescribed under subsection (b) shall apply beginning with model year 2010.

SEC. 505. ENSURING SAFETY OF AUTOMOBILES.

(a) IN GENERAL.—The Secretary of Transportation shall exercise such authority under Federal law as the Secretary may have to ensure that automobiles (as defined in section 32901 of title 49, United States Code) are safe.

(b) VEHICLE SAFETY.—Subchapter II of chapter 301 of title 49, United States Code, is amended by adding at the end the following:

''§ 30129. Vehicle compatibility and aggressivity reduction standard

''(a) STANDARDS.—The Secretary of Transportation shall issue a motor vehicle safety standard to reduce automobile incompatibility and aggressivity. The standard shall address characteristics necessary to ensure better management of crash forces in multiple vehicle frontal and side impact crashes between different types, sizes, and weights of automobiles with a gross vehicle weight of 10,000 pounds or less in order to decrease occupant deaths and injuries.

''(b) CONSUMER INFORMATION.—The Secretary shall develop and implement a public information side and frontal compatibility crash test program with vehicle ratings based on risks to occupants, risks to other motorists, and combined risks by vehicle make and model.''.

(c) RULEMAKING DEADLINES.—

(1) RULEMAKING.—The Secretary of Transportation shall issue—

(A) a notice of a proposed rulemaking under section 30129 of title 49, United States Code, not later than January 1, 2010; and

(B) a final rule under such section not later than December 31, 2012.

(2) EFFECTIVE DATE OF REQUIREMENTS.—Any requirement imposed under the final rule issued under paragraph (1) shall become fully effective not later than September 1, 2013.

(d) CONFORMING AMENDMENT.—The chapter analysis for chapter 301 is amended by inserting after the item relating to section 30128 the following:

''30129. Vehicle compatibility and aggressivity reduction standard''.

SEC. 506. CREDIT TRADING PROGRAM.

Section 32903 of title 49, United States Code, is amended—

(1) by striking ''passenger'' each place it appears;

(2) by striking ''section 32902(b)–(d) of this title'' each place it appears and inserting ''subsection (a), (c), or (d) of section 32902'';

(3) by striking ''3 consecutive model years'' in subsections (a)(1) and (a)(2) and inserting ''5 consecutive model years'';

(4) in subsection (a)(2), by striking ''clause (1) of this subsection,'' and inserting ''paragraph (1)''; and

(5) by striking ''3 model years'' in subsection (b)(2) and inserting ''5 model years''; and

(6) by striking subsection (e) and inserting the following:

''(e) CREDIT TRADING AMONG MANUFACTURERS.—The Secretary of Transportation may establish, by regulation, a corporate average fuel economy credit trading program to allow manufacturers whose automobiles exceed the average fuel economy standards prescribed under section 32902 to earn credits to be sold to manufacturers whose automobiles fail to achieve the prescribed standards.''.

SEC. 507. LABELS FOR FUEL ECONOMY AND GREENHOUSE GAS EMISSIONS.

Section 32908 of title 49, United States Code, is amended—

(1) by redesignating subparagraph (F) of subsection (b)(1) as subparagraph (H) and inserting after subparagraph (E) the following:

''(F) a label (or a logo imprinted on a label required by this paragraph) that—

''(i) reflects an automobile's performance on the basis of criteria developed by the Administrator to reflect the fuel economy and greenhouse gas and other emissions consequences of operating the automobile over its likely useful life;

''(ii) permits consumers to compare performance results under clause (i) among all automobiles; and

''(iii) is designed to encourage the manufacture and sale of automobiles that meet or exceed applicable fuel economy standards under section 32902.

''(G) a fuelstar under paragraph (5).''; and

(2) by adding at the end of subsection (b) the following:

''(4) GREEN LABEL PROGRAM.—

''(A) MARKETING ANALYSIS.—Not later than 2 years after the date of the enactment of the Ten-in-Ten Fuel Economy Act, the Administrator shall implement a consumer education program and execute marketing strategies to improve consumer understanding of automobile performance described in paragraph (1)(F).

''(B) ELIGIBILITY.—Not later than 3 years after the date described in subparagraph (A), the Administrator shall issue requirements for the label or logo required under paragraph (1)(F) to ensure that an automobile is not eligible for the label or logo unless it—

''(i) meets or exceeds the applicable fuel economy standard; or

''(ii) will have the lowest greenhouse gas emissions over the useful life of the vehicle of all vehicles in the vehicle attribute class to which it belongs in that model year.

''(5) FUELSTAR PROGRAM.—

''(A) IN GENERAL.—The Secretary shall establish a program, to be known as the 'Fuelstar Program', under which stars shall be imprinted on or attached to the label required by paragraph (1).

''(B) GREEN STARS.—Under the Fuelstar Program, a manufacturer may include on the label maintained on an automobile under paragraph (1)—

''(i) 1 green star for any automobile that meets the average fuel economy standard for the model year under section 32902; and

''(ii) 1 additional green star for each 2 miles per gallon by which the automobile exceeds such standard.

''(C) GOLD STARS.—Under the Fuelstar Program, a manufacturer may include a gold star on the label maintained on an automobile under paragraph (1) if the automobile attains a fuel economy of at least 50 miles per gallon.''.

SEC. 508. CONTINUED APPLICABILITY OF EXISTING STANDARDS.

Nothing in this title, or the amendments made by this title, shall be construed to affect the application of section 32902 of title 49, United States Code, to passenger automobiles or non-passenger automobiles manufactured before model year 2011.

SEC. 509. NATIONAL ACADEMY OF SCIENCES STUDIES.

(a) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary of Transportation shall execute an agreement with the National Academy of Sciences to develop a report evaluating vehicle fuel economy standards, including—

(1) an assessment of automotive technologies and costs to reflect developments since the Academy's 2002 report evaluating the corporate average fuel economy standards was conducted;

(2) an analysis of existing and potential technologies that may be used practically to improve automobile, medium-duty truck, or heavy-duty truck fuel economy;

(3) an analysis of how such technologies may be practically integrated into the automotive, medium-duty truck, or heavy-duty truck manufacturing process; and

(4) an assessment of how such technologies may be used to meet the new fuel economy standards under chapter 329 of title 49, United States Code, as amended by this title.

(b) QUINQUENNIAL UPDATES.—After submitting the initial report, the Academy shall update the report at 5 year intervals thereafter through 2025.

(c) REPORT.—The Academy shall submit the report to the Secretary, the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Energy and Commerce, with its findings and recommendations no later than 18 months after the date on which the Secretary executes the agreement with the Academy.

SEC. 510. STANDARDS FOR EXECUTIVE AGENCY AUTOMOBILES.

(a) IN GENERAL.—Section 32917 of title 49, United States Code, is amended to read as follows:

''§ 32917. Standards for Executive agency automobiles

''(a) FUEL EFFICIENCY.—The head of an Executive agency shall ensure that each new automobile procured by the Executive agency is as fuel efficient as practicable.

''(b) DEFINITIONS.—In this section:

''(1) EXECUTIVE AGENCY.—The term 'Executive agency' has the meaning given that term in section 105 of title 5.

''(2) NEW AUTOMOBILE.—The term 'new automobile', with respect to the fleet of automobiles of an executive agency, means an automobile that is leased for at least 60 consecutive days or bought, by or for the Executive agency, after September 30, 2008. The term does not include any vehicle designed for combat-related missions, law enforcement work, or emergency rescue work.''.

(b) REPORT.—The Administrator of the General Services Administration shall develop a report describing and evaluating the efforts of the heads of the Executive agencies to comply with section 32917 of title 49, United States Code, for fiscal year 2009. The Administrator shall submit the report to Congress no later than December 31, 2009.

SEC. 511. ENSURING AVAILABILITY OF FLEXIBLE FUEL AUTOMOBILES.

(a) AMENDMENT.—

(1) IN GENERAL.—Chapter 329 of title 49, United States Code, is amended by inserting after section 32902 the following:

''§ 32902A. Requirement to manufacture flexible fuel automobiles

''(a) IN GENERAL.—For each model year, each manufacturer of new automobiles described in subsection (b) shall ensure that the percentage of such automobiles manufactured in a particular model year that are flexible fuel vehicles shall be not less than the percentage set forth for that model year in the following table:

''If the model year is:	The percentage of flexible fuel automobiles shall be:
2012	50 percent
2013	60 percent
2014	70 percent
2015	80 percent

''(b) AUTOMOBILES TO WHICH SECTION APPLIES.—An automobile is described in this subsection if it—

''(1) is capable of operating on gasoline or diesel fuel;

''(2) is distributed in interstate commerce for sale in the United States; and

''(3) does not contain certain engines that the Secretary of Transportation, in consultation with the Administrator of the Environmental Protection Agency and the Secretary of Energy, may temporarily exclude from the definition because it is technologically infeasible for the engines to have flexible fuel capability at any time during a period that the Secretaries and the Administrator are engaged in an active research program with the vehicle manufacturers to develop that capability for the engines.''.

(2) DEFINITION OF FLEXIBLE FUEL AUTOMOBILE.—Section 32901(a) of title 49, United States Code, is amended by inserting after paragraph (8), the following:

''(8) 'flexible fuel automobile' means an automobile described in paragraph (8)(A).''.

(3) CLERICAL AMENDMENT.—The table of sections for chapter 329 of title 49, United States Code, is amended by inserting after the item relating to section 32902 the following:

''Sec. 32902A. Requirement to manufacture flexible fuel automobiles''.

(b) RULEMAKING.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Transportation shall issue regulations to carry out the amendments made by subsection (a).

(2) HARDSHIP EXEMPTION.—The regulations issued pursuant to paragraph (1) shall include a process by which a manufacturer may be exempted from the requirement under section 32902A(a) upon demonstrating that such requirement would create a substantial economic hardship for the manufacturer.

SEC. 512. INCREASING CONSUMER AWARENESS OF FLEXIBLE FUEL AUTOMOBILES.

Section 32908 of title 49, United States Code, is amended by adding at the end the following:

''(g) INCREASING CONSUMER AWARENESS OF FLEXIBLE FUEL AUTOMOBILES.—(1) The Secretary of Transportation shall prescribe regulations that require the manufacturer of automobiles distributed in interstate commerce for sale in the United States—

''(A) to prominently display a permanent badge or emblem on the quarter panel or tailgate of each such automobile that indicates such vehicle is capable of operating on alternative fuel; and

''(B) to include information in the owner's manual of each such automobile information that describes—

''(i) the capability of the automobile to operate using alternative fuel;

''(ii) the benefits of using alternative fuel, including the renewable nature, and the environmental benefits of using alternative fuel; and

''(C) to contain a fuel tank cap that is clearly labeled to inform consumers that the automobile is capable of operating on alternative fuel.

''(2) The Secretary of Transportation shall collaborate with automobile retailers to develop voluntary methods for providing prospective purchasers of automobiles with information regarding the benefits of using alternative fuel in automobiles, including—

''(A) the renewable nature of alternative fuel; and

''(B) the environmental benefits of using alternative fuel.''.

SEC. 513. PERIODIC REVIEW OF ACCURACY OF FUEL ECONOMY LABELING PROCEDURES.

Beginning in December, 2009, and not less often than every 5 years thereafter, the Secretary of Transportation, in consultation with the Administrator of the Environmental Protection Agency, shall—

(1) reevaluate the fuel economy labeling procedures described in the final rule published in the Federal Register on December 27, 2006 (71 Fed. Reg. 77,872; 40 C.F.R. parts 86 and 600) to determine whether changes in the factors used to establish the labeling procedures warrant a revision of that process; and

(2) submit a report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Energy and Commerce that describes the results of the reevaluation process.

SEC. 514. TIRE FUEL EFFICIENCY CONSUMER INFORMATION.

(a) IN GENERAL.—Chapter 301 of title 49, United States Code, is amended by inserting after section 30123 the following new section:

''§ 30123A. Tire fuel efficiency consumer information

''(a) RULEMAKING.—

''(1) IN GENERAL.—Not later than 18 months after the date of enactment of the Ten-in-Ten Fuel Economy Act, the Secretary of Transportation shall, after notice and opportunity for comment, promulgate rules establishing a national tire fuel efficiency consumer information program for tires designed for use on motor vehicles to educate consumers about the effect of tires on automobile fuel efficiency.

''(2) ITEMS INCLUDED IN RULE.—The rulemaking shall include—

''(A) a national tire fuel efficiency rating system for motor vehicle tires to assist consumers in making more educated tire purchasing decisions;

''(B) requirements for providing information to consumers, including information at the point of sale and other potential information dissemination methods, including the Internet;

''(C) specifications for test methods for manufacturers to use in assessing and rating tires to avoid variation among test equipment and manufacturers; and

''(D) a national tire maintenance consumer education program including, information on tire inflation pressure, alignment, rotation, and tread wear to maximize fuel efficiency.

''(3) APPLICABILITY.—This section shall not apply to tires excluded from coverage under section 575.104(c)(2) of title 49, Code of Federal Regulations, as in effect on date of enactment of the Ten-in-Ten Fuel Economy Act.

''(b) CONSULTATION.—The Secretary shall consult with the Secretary of Energy and the Administrator of the Environmental Protection Agency on the means of conveying tire fuel efficiency consumer information.

''(c) REPORT TO CONGRESS.—The Secretary shall conduct periodic assessments of the rules promulgated under this section to determine the utility of such rules to consumers, the level of cooperation by industry, and the contribution to national goals pertaining to energy consumption. The Secretary shall transmit periodic reports detailing the findings of such assessments to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Energy and Commerce.

''(d) TIRE MARKING.—The Secretary shall not require permanent labeling of any kind on a tire for the purpose of tire fuel efficiency information.

''(e) PREEMPTION.—When a requirement under this section is in effect, a State or political subdivision of a State may adopt or enforce a law or regulation on tire fuel efficiency consumer information only if the law or regulation is identical to that requirement. Nothing in this section shall be construed to preempt a State or political subdivision of a State from regulating the fuel efficiency of tires not otherwise preempted under this chapter.''.

(b) ENFORCEMENT.—Section 30165(a) of title 49, United States Code, is amended by adding at the end the following:

''(4) SECTION 30123a.—Any person who fails to comply with the national tire fuel efficiency consumer information program under section 30123A is liable to the United States Government for a civil penalty of not more than $50,000 for each violation.''.

(c) CONFORMING AMENDMENT.—The chapter analysis for chapter 301 of title 49, United States Code, is amended by inserting after the item relating to section 30123 the folllowing:

''30123A. Tire fuel efficiency consumer information''.

SEC. 515. ADVANCED BATTERY INITIATIVE.

(a) IN GENERAL.—The Secretary of Transportation shall establish and carry out an Advanced Battery Initiative in accordance with this section to support research, development, demonstration, and commercial application of battery technologies.

(b) INDUSTRY ALLIANCE.—Not later than 180 days after the date of enactment of this Act, the Secretary shall competitively select an Industry Alliance to represent participants who are private, for-profit firms headquartered in the United States, the primary business of which is the manufacturing of batteries.

(c) RESEARCH.—

(1) GRANTS.—The Secretary shall carry out research activities of the Initiative through competitively-awarded grants to—

(A) researchers, including Industry Alliance participants;

(B) small businesses;

(C) National Laboratories; and

(D) institutions of higher education.

(2) INDUSTRY ALLIANCE.—The Secretary shall annually solicit from the Industry Alliance—

(A) comments to identify advanced battery technology needs relevant to electric drive technology;

(B) an assessment of the progress of research activities of the Initiative; and

(C) assistance in annually updating advanced battery technology roadmaps.

(d) AVAILABILITY TO THE PUBLIC.—The information and roadmaps developed under this section shall be available to the public.

(e) PREFERENCE.—In making awards under this subsection, the Secretary shall give preference to participants in the Industry Alliance.

(f) COST SHARING.—In carrying out this section, the Secretary shall require cost sharing in accordance with section 120(b) of title 23, United States Code.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 2008 through 2012.

SEC. 516. BIODIESEL STANDARDS.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the President, in consultation with the Secretary of Transportation, the Secretary of Energy, and the Administrator of the Environmental Protection Administration, shall promulgate standards for biodiesel blend sold or introduced into commerce in the United States.

(b) DEFINITIONS.—In this section:

(1) BIODIESEL.—

(A) IN GENERAL.—The term ''biodiesel'' means the monoalkyl esters of long chain fatty acids derived from plant or animal matter that meet—

(i) the registration requirements for fuels and fuel additives established by the Environmental Protection Agency under section 211 of the Clean Air Act (42 U.S.C. 7545); and

(ii) the requirements of the American Society of Testing and Materials D6751.

(B) INCLUSIONS.—The term ''biodiesel'' includes esters described in subparagraph (A) derived from—

(i) animal waste, including poultry fat, poultry waste, and other waste material; and

(ii) municipal solid waste, sludge, and oil derived from wastewater or the treatment of wastewater.

(2) BIODIESEL BLEND.—The term ''biodiesel blend'' means a mixture of biodiesel and diesel fuel, including—

(A) a blend of biodiesel and diesel fuel approximately 5 percent of the content of which is biodiesel (commonly known as ''B5''); and

(B) a blend of biodiesel and diesel fuel approximately 20 percent of the content of which is biodiesel (commonly known as ''B20'').

SEC. 517. USE OF CIVIL PENALTIES FOR RESEARCH AND DEVELOPMENT.

Section 32912 of title 49, United States Code, is amended by adding at the end thereof the following:

''(e) USE OF CIVIL PENALTIES.—For fiscal year 2008 and each fiscal year thereafter, from the total amount deposited in the general fund of the Treasury during the preceding fiscal year from fines, penalties, and other funds obtained through enforcement actions conducted pursuant to this section (including funds obtained under consent decrees), the Secretary of the Treasury, subject to the availability of appropriations, shall—

''(1) transfer 50 percent of such total amount to the account providing appropriations to the Secretary of Transportation for the administration of this chapter, which shall be used by the Secretary to carry out a program of research and development into fuel saving automotive technologies and to support rulemaking under this chapter; and

''(2) transfer 50 percent of such total amount to the Energy Security Fund established by section 518(a) of the Ten-in-Ten Fuel Economy Act.

''SEC. 118. ENERGY SECURITY FUND AND ALTERNATIVE FUEL GRANT PROGRAM.

''(a) ESTABLISHMENT OF FUND.—

''(1) IN GENERAL.—There is established in the Treasury a fund, to be known as the 'Energy Security Fund' (referred to in this section as the 'Fund'), consisting of—

''(A) amounts transferred to the Fund under section 32912(e)(2) of title 49, United States Code; and

''(B) amounts credited to the Fund under paragraph (2)(C).''

(1) INVESTMENT OF AMOUNTS.—

(A) IN GENERAL.—The Secretary of the Treasury shall invest in interest-bearing obligations of the United States such portion of the Fund as is not, in the judgment of the Secretary of the Treasury, required to meet current withdrawals.

(B) SALE OF OBLIGATIONS.—Any obligation acquired by the Fund may be sold by the Secretary of the Treasury at the market price.

(C) CREDITS TO FUND.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Fund shall be credited to, and form a part of, the Fund in accordance with section 9602 of the Internal Revenue Code of 1986.

(2) USE OF AMOUNTS IN FUND.—Amounts in the Fund shall be made available to the Secretary of Energy, subject to the availability of appropriations, to carry out the grant program under subsection (b).

(3) ALTERNATIVE FUELS GRANT PROGRAM.—Not later than 90 days after the date of enactment of this Act, the Secretary of Energy, acting through the Clean Cities Program of the Department of Energy, shall establish and carry out a program under which the Secretary shall provide grants to expand the availability to consumers of alternative fuels (as defined in section 32901(a) of title 49, United States Code).

(4) ELIGIBILITY.—

(A) IN GENERAL.—Except as provided in subparagraph (B), any entity that is eligible to receive assistance under the Clean Cities Program shall be eligible to receive a grant under this subsection.

(B) EXCEPTIONS.—

(i) CERTAIN OIL COMPANIES.—A large, vertically-integrated oil company shall not be eligible to receive a grant under this subsection.

(ii) PROHIBITION OF DUAL BENEFITS.—An entity that receives any other Federal funds for the construction or expansion of alternative refueling infrastructure shall not be eligible to receive a grant under this subsection for the construction or expansion of the same alternative refueling infrastructure.

(C) ENSURING COMPLIANCE.—Not later than 30 days after the date of enactment of this Act, the Secretary of Energy shall promulgate regulations to ensure that, before receiving a grant under this subsection, an eligible entity meets applicable standards relating to the installation, construction, and expansion of infrastructure necessary to increase the availability to consumers of alternative fuels (as defined in section 32901(a) of title 49, United States Code).

(5) MAXIMUM AMOUNT.—

(A) GRANTS.—The amount of a grant provided under this subsection shall not exceed $30,000.

(B) AMOUNT PER STATION.—An eligible entity shall receive not more than $90,000 under this subsection for any station of the eligible entity during a fiscal year.

(6) USE OF FUNDS.—

(A) IN GENERAL.—A grant provided under this subsection shall be used for the construction or expansion of alternative fueling infrastructure.

(B) ADMINISTRATIVE EXPENSES.—Not more than 3 percent of the amount of a grant provided under this subsection shall be used for administrative expenses.

SEC. 518. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Secretary of Transportation $25,000,000 for each of fiscal years 2009 through 2021 to carry out the provisions of chapter 329 of title 49, United States Code.

TITLE VI—PRICE GOUGING

SEC. 601. SHORT TITLE.

This title may be cited as the ''Petroleum Consumer Price Gouging Protection Act''.

SEC. 602. DEFINITIONS.

In this title:

(1) AFFECTED AREA.—The term ''affected area'' means an area covered by a Presidential declaration of energy emergency.

(2) SUPPLIER.—The term ''supplier'' means any person engaged in the trade or business of selling or reselling, at retail or wholesale, or distributing crude oil, gasoline, or petroleum distillates.

(3) PRICE GOUGING.—The term ''price gouging'' means the charging of an unconscionably excessive price by a supplier in an affected area.

(4) UNCONSCIONABLY EXCESSIVE PRICE.—The term ''unconscionably excessive price'' means a price charged in an affected area for crude oil, gasoline, or petroleum distillates that—

(A)(i) represents a gross disparity between the price at which it was offered for sale in the usual course of the supplier's business immediately prior to the President's declaration of an energy emergency;

(ii) grossly exceeds the price at which the same or similar crude oil, gasoline, or petroleum distillate was readily obtainable by other purchasers in the affected area; or

(iii) represents an exercise of unfair leverage or unconscionable means on the part of the supplier, during a period of declared energy emergency; and

(B) is not attributable to increased wholesale or operational costs outside the control of the supplier, incurred in connection with the sale of crude oil, gasoline, or petroleum distillates.

(5) COMMISSION.—The term ''Commission'' means the Federal Trade Commission.

SEC. 603. PROHIBITION ON PRICE GOUGING DURING ENERGY EMERGENCIES.

(a) IN GENERAL.—During any energy emergency declared by the President under section 606 of this title, it is unlawful for any supplier to sell, or offer to sell, crude oil, gasoline, or petroleum distillates in, or for use in, the area to which that declaration applies at an unconscionably excessive price.

(b) FACTORS CONSIDERED.—In determining whether a violation of subsection (a) has occurred, there shall be taken into account, among other factors, the price that would reasonably equate supply and demand in a competitive and freely functioning market.

SEC. 604. PROHIBITION ON MARKET MANIPULATION.

It is unlawful for any person, directly or indirectly, to use or employ, in connection with the purchase or sale of crude oil, gasoline, or petroleum distillates at wholesale, any manipulative or deceptive device or contrivance, in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of United States citizens.

SEC. 605. PROHIBITION ON FALSE INFORMATION.

(a) IN GENERAL.—It is unlawful for any person to report information related to the wholesale price of crude oil, gasoline, or petroleum distillates to the Commission if—

(1) that person knew, or reasonably should have known, the information to be false or misleading;

(2) the information was required by law to be reported; and

(3) the person intended the false or misleading data to affect data compiled by the Commission for statistical or analytical purposes with respect to the market for crude oil, gasoline, or petroleum distillates.

SEC. 606. PRESIDENTIAL DECLARATION OF ENERGY EMERGENCY.

(a) IN GENERAL.—If the President finds that the health, safety, welfare, or economic well-being of the citizens of the United States is at risk because of a shortage or imminent shortage of adequate supplies of crude oil, gasoline, or petroleum distillates due to a disruption in the national distribution system for crude oil, gasoline, or petroleum distillates (including such a shortage related to a major disaster (as defined in section 102(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(2))), or significant pricing anomalies in national energy markets for crude oil, gasoline, or petroleum distillates, the President may declare that a Federal energy emergency exists.

(b) SCOPE AND DURATION.—The emergency declaration shall specify—

(1) the period, not to exceed 30 days, for which the declaration applies;

(2) the circumstance or condition necessitating the declaration; and

(3) the area or region to which it applies, which, for the 48 contiguous states may not be limited to a single State.

(c) EXTENSIONS.—The President may—

(1) extend a declaration under subsection (a) for a period of not more than 30 days; and

(2) extend such a declaration more than once.

SEC. 607. ENFORCEMENT BY THE FEDERAL TRADE COMMISSION.

(a) ENFORCEMENT.—This title shall be enforced by the Federal Trade Commission. In enforcing section 603 of this title, the Commission shall give priority to enforcement actions concerning companies with total United States wholesale or retail sales of crude oil, gasoline, and petroleum distillates in excess of $500,000,000 per year but shall not exclude enforcement actions against companies with total United States wholesale sales of $500,000,000 or less per year.

(b) VIOLATION IS UNFAIR OR DECEPTIVE ACT OR PRACTICE.—The violation of any provision of this title shall be treated as an unfair or deceptive act or practice proscribed under a rule issued under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(c) COMMISSION ACTIONS.—Following the declaration of an energy emergency by the President under section 606 of this title, the Commission shall—

(1) establish within the Commission—

(A) a toll-free hotline that a consumer may call to report an incident of price gouging in the affected area; and

(B) a program to develop and distribute to the public informational materials to assist residents of the affected area in detecting and avoiding price gouging;

(2) consult with the Attorney General, the United States Attorney for the districts in which a disaster occurred (if the declaration is related to a major disaster), and State and local law enforcement officials to determine whether any supplier in the affected area is charging or has charged an unconscionably excessive price for crude oil, gasoline, or petroleum distillates in the affected area; and

(3) conduct an investigation to determine whether any supplier in the affected area has violated section 603 of this title, and upon such finding, take any action the Commission determines to be appropriate to remedy the violation.

SEC. 608. ENFORCEMENT BY STATE ATTORNEYS GENERAL.

(a) IN GENERAL.—A State, as parens patriae, may bring a civil action on behalf of its residents in an appropriate district court of the United States to enforce the provisions of section 603 of this title, or to impose the civil penalties authorized by section 609

for violations of section 603, whenever the attorney general of the State has reason to believe that the interests of the residents of the State have been or are being threatened or adversely affected by a supplier engaged in the sale or resale, at retail or wholesale, or distribution of crude oil, gasoline, or petroleum distillates in violation of section 603 of this title.

(b) NOTICE.—The State shall serve written notice to the Commission of any civil action under subsection (a) prior to initiating the action. The notice shall include a copy of the complaint to be filed to initiate the civil action, except that if it is not feasible for the State to provide such prior notice, the State shall provide such notice immediately upon instituting the civil action.

(c) AUTHORITY TO INTERVENE.—Upon receiving the notice required by subsection (b), the Commission may intervene in the civil action and, upon intervening—

(1) may be heard on all matters arising in such civil action; and

(2) may file petitions for appeal of a decision in such civil action.

(d) CONSTRUCTION.—For purposes of bringing any civil action under subsection (a), nothing in this section shall prevent the attorney general of a State from exercising the powers conferred on the Attorney General by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

(e) VENUE; SERVICE OF PROCESS.—In a civil action brought under subsection (a)—

(1) the venue shall be a judicial district in which—

(A) the defendant operates;

(B) the defendant was authorized to do business; or

(C) where the defendant in the civil action is found;

(2) process may be served without regard to the territorial limits of the district or of the State in which the civil action is instituted; and

(3) a person who participated with the defendant in an alleged violation that is being litigated in the civil action may be joined in the civil action without regard to the residence of the person.

(f) LIMITATION ON STATE ACTION WHILE FEDERAL ACTION IS PENDING.—If the Commission has instituted a civil action or an administrative action for violation of this title, a State attorney general, or official or agency of a State, may not bring an action under this section during the pendency of that action against any defendant named in the complaint of the Commission or the other agency for any violation of this title alleged in the Commission's civil or administrative action.

(g) NO PREEMPTION.—Nothing contained in this section shall prohibit an authorized State official from proceeding in State court to enforce a civil or criminal statute of that State.

SEC. 609. PENALTIES.

(a) CIVIL PENALTY.—

(1) IN GENERAL.—In addition to any penalty applicable under the Federal Trade Commission Act, any supplier—

(A) that violates section 604 or section 605 of this title is punishable by a civil penalty of not more than $1,000,000; and

(B) that violates section 603 of this title is punishable by a civil penalty of—

(i) not more than $500,000, in the case of an independent small business marketer of gasoline (within the meaning of section 324(c) of the Clean Air Act (42 U.S.C. 7625(c))); and

(ii) not more than $5,000,000 in the case of any other supplier.

(2) METHOD OF ASSESSMENT.—The penalties provided by paragraph (1) shall be assessed in the same manner as civil penalties imposed under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

(3) MULTIPLE OFFENSES; MITIGATING FACTORS.—In assessing the penalty provided by subsection (a)—

(A) each day of a continuing violation shall be considered a separate violation; and

(B) the Commission shall take into consideration the seriousness of the violation and the efforts of the person committing the violation to remedy the harm caused by the violation in a timely manner.

(b) CRIMINAL PENALTY.—Violation of section 603 of this title is punishable by a fine of not more than $5,000,000, imprisonment for not more than 5 years, or both.

SEC. 610. EFFECT ON OTHER LAWS.

(a) OTHER AUTHORITY OF THE COMMISSION.—Nothing in this title shall be construed to limit or affect in any way the Commission's authority to bring enforcement actions or take any other measure under the Federal Trade Commission Act (15 U.S.C. 41 et seq.) or any other provision of law.

(b) STATE LAW.—Nothing in this title preempts any State law.

TITLE VII—ENERGY DIPLOMACY AND SECURITY

SEC. 701. SHORT TITLE.

This title may be cited as the ''Energy Diplomacy and Security Act of 2007''.

SEC. 702. DEFINITIONS.

In this title:

(1) MAJOR ENERGY PRODUCER.—The term ''major energy producer'' means a country that—

(A) had crude oil, oil sands, or natural gas to liquids production of 1,000,000 barrels per day or greater average in the previous year;

(B) has crude oil, shale oil, or oil sands reserves of 6,000,000,000 barrels or greater, as recognized by the Department of Energy;

(C) had natural gas production of 30,000,000,000 cubic meters or greater in the previous year;

(D) has natural gas reserves of 1,250,000,000,000 cubic meters or greater, as recognized by the Department of Energy; or

(E) is a direct supplier of natural gas or liquefied natural gas to the United States.

(2) MAJOR ENERGY CONSUMER.—The term ''major energy consumer'' means a country that—

(A) had an oil consumption average of 1,000,000 barrels per day or greater in the previous year;

(B) had an oil consumption growth rate of 8 percent or greater in the previous year;

(C) had a natural gas consumption of 30,000,000,000 cubic meters or greater in the previous year; or

(D) had a natural gas consumption growth rate of 15 percent or greater in the previous year.

SEC. 703. SENSE OF CONGRESS ON ENERGY DIPLOMACY AND SECURITY.

(a) FINDINGS.—Congress makes the following findings:

(1) It is imperative to the national security and prosperity of the United States to have reliable, affordable, clean, sufficient, and sustainable sources of energy.

(2) United States dependence on oil imports causes tremendous costs to the United States national security, economy, foreign policy, military, and environmental sustainability.

(3) Energy security is a priority for the governments of many foreign countries and increasingly plays a central role in the relations of the United States Government with foreign governments. Global reserves of oil and natural gas are concentrated in a small number of countries. Access to these oil and natural gas supplies depends on the political will of these producing states. Competition between governments for access to oil and natural gas reserves can lead to economic, political, and armed conflict. Oil exporting states have received dramatically increased revenues due to high global prices, enhancing the ability of some of these states to act in a manner threatening to global stability.

(4) Efforts to combat poverty and protect the environment are hindered by the continued predominance of oil and natural gas in meeting global energy needs. Development of renewable energy through sustainable practices will help lead to a reduction in greenhouse gas emissions and enhance international development.

(5) Cooperation on energy issues between the United States Government and the governments of foreign countries is critical for securing the strategic and economic interests of the United States and of partner governments. In the current global energy situation, the energy policies and activities of the governments of foreign countries can have dramatic impacts on United States energy security.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) United States national security requires that the United States Government have an energy policy that pursues the strategic goal of achieving energy security through access to clean, affordable, sufficient, reliable, and sustainable sources of energy;

(2) achieving energy security is a priority for United States foreign policy and requires continued and enhanced engagement with foreign governments and entities in a variety of areas, including activities relating to the promotion of alternative and renewable fuels, trade and investment in oil, coal, and natural gas, energy efficiency, climate and environmental protection, data transparency, advanced scientific research, public-private partnerships, and energy activities in international development;

(3) the President should ensure that the international energy activities of the United States Government are given clear focus to support the national security needs of the United States, and to this end, there should be established a mechanism to coordinate the implementation of United States international energy policy among the Federal agencies engaged in relevant agreements and activities; and

(4) the Secretary of State should ensure that energy security is integrated into the core mission of the Department of State, and to this end, there should be established within the Office of the Secretary of State a Coordinator for International Energy Affairs with responsibility for—

(A) developing United States international energy policy in coordination with the Department of Energy and other relevant Federal agencies;

(B) working with appropriate United States Government officials to develop and update analyses of the national security implications of global energy developments;

(C) incorporating energy security priorities into the activities of the Department;

(D) coordinating activities with relevant Federal agencies; and

(E) coordinating energy security and other relevant functions currently undertaken by offices within the Bureau of Economic, Business, and Agricultural Affairs, the Bureau of Democracy and Global Affairs, and other offices within the Department of State.

SEC. 704. STRATEGIC ENERGY PARTNERSHIPS.

(a) FINDINGS.—Congress makes the following findings:

(1) United States Government partnership with foreign governments and entities, including partnership with the private sector, for securing reliable and sustainable energy is imperative to ensuring United States security and economic interests, promoting international peace and security, expanding international development, supporting democratic reform, fostering economic growth, and safeguarding the environment.

(2) Democracy and freedom should be promoted globally by partnership with foreign governments, including in particular governments of emerging democracies such as those of Ukraine and Georgia, in their efforts to reduce their dependency on oil and natural gas imports.

(3) The United States Government and the governments of foreign countries have common needs for adequate, reliable, affordable, clean, and sustainable energy in order to ensure national security, economic growth, and high standards of living in their countries. Cooperation by the United States Government with foreign governments on meeting energy security needs is mutually beneficial. United States Government partnership with foreign governments should include cooperation with major energy consuming countries, major energy producing countries, and other governments seeking to advance global energy security through reliable and sustainable means.

(4) The United States Government participates in hundreds of bilateral and multilateral energy agreements and activities with foreign governments and entities. These agreements and activities should reflect the strategic need for energy security.

(b) STATEMENT OF POLICY.—It is the policy of the United States—

(1) to advance global energy security through cooperation with foreign governments and entities;

(2) to promote reliable, diverse, and sustainable sources of all types of energy;

(3) to increase global availability of renewable and clean sources of energy;

(4) to decrease global dependence on oil and natural gas energy sources; and

(5) to engage in energy cooperation to strengthen strategic partnerships that advance peace, security, and democratic prosperity.

(c) AUTHORITY.—The Secretary of State, in coordination with the Secretary of Energy, should immediately seek to establish and expand strategic energy partnerships with the governments of major energy producers and major energy consumers, and with governments of other countries (but excluding any countries that are ineligible to receive United States economic or military assistance).

(d) PURPOSES.—The purposes of the strategic energy partnerships established pursuant to subsection (c) are—

(1) to strengthen global relationships to promote international peace and security through fostering cooperation in the energy sector on a mutually beneficial basis in accordance with respective national energy policies;

(2) to promote the policy set forth in subsection (b), including activities to advance—

(A) the mutual understanding of each country's energy needs, priorities, and policies, including interparliamentary understanding;

(B) measures to respond to acute energy supply disruptions, particularly in regard to petroleum and natural gas resources;

(C) long-term reliability and sustainability in energy supply;

(D) the safeguarding and safe handling of nuclear fuel;

(E) human and environmental protection;

(F) renewable energy production;

(G) access to reliable and affordable energy for underdeveloped areas, in particular energy access for the poor;

(H) appropriate commercial cooperation;

(I) information reliability and transparency; and

(J) research and training collaboration;

(3) to advance the national security priority of developing sustainable and clean energy sources, including through research and development related to, and deployment of—

(A) renewable electrical energy sources, including biomass, wind, and solar;

(B) renewable transportation fuels, including biofuels;

(C) clean coal technologies;

(D) carbon sequestration, including in conjunction with power generation, agriculture, and forestry; and

(E) energy and fuel efficiency, including hybrids and plug-in hybrids, flexible fuel, advanced composites, hydrogen, and other transportation technologies; and

(4) to provide strategic focus for current and future United States Government activities in energy cooperation to meet the global need for energy security.

(e) DETERMINATION OF AGENDAS.—In general, the specific agenda with respect to a particular strategic energy partnership, and the Federal agencies designated to implement related activities, shall be determined by the Secretary of State and the Secretary of Energy.

(f) USE OF CURRENT AGREEMENTS TO ESTABLISH PARTNERSHIPS.—Some or all of the purposes of the strategic energy partnerships established under subsection (c) may be pursued through existing bilateral or multilateral agreements and activities. Such agreements and activities shall be subject to the reporting requirements in subsection (g).

(g) REPORTS REQUIRED.—

(1) INITIAL PROGRESS REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary of State shall submit to the appropriate congressional committees a report on progress made in developing the strategic energy partnerships authorized under this section.

(2) ANNUAL PROGRESS REPORTS.—

(A) IN GENERAL.—Not later than one year after the date of the enactment of this Act, and annually thereafter for 20 years, the Secretary of State shall submit to the appropriate congressional committees an annual report on agreements entered into and activities undertaken pursuant to this section, including international environment activities.

(B) CONTENT.—Each report submitted under this paragraph shall include details on—

(i) agreements and activities pursued by the United States Government with foreign governments and entities, the implementation plans for such agreements and progress measurement benchmarks, United States Government resources used in pursuit of such agreements and activities, and legislative changes recommended for improved partnership; and

(ii) polices and actions in the energy sector of partnership countries pertinent to United States economic, security, and environmental interests.

SEC. 705. INTERNATIONAL ENERGY CRISIS RESPONSE MECHANISMS.

(a) FINDINGS.—Congress makes the following findings:

(1) Cooperation between the United States Government and governments of other countries during energy crises promotes the national security of the United States.

(2) The participation of the United States in the International Energy Program established under the Agreement on an International Energy Program, done at Paris November 18, 1974 (27 UST 1685), including in the coordination of national strategic petroleum reserves, is a national security asset that—

(A) protects the consumers and the economy of the United States in the event of a major disruption in petroleum supply;

(B) maximizes the effectiveness of the United States strategic petroleum reserve through cooperation in accessing global reserves of various petroleum products;

(C) provides market reassurance in countries that are members of the International Energy Program; and

(D) strengthens United States Government relationships with members of the International Energy Program.

(3) The International Energy Agency projects that the largest growth in demand for petroleum products, other than demand from the United States, will come from China and India, which are not members of the International Energy Program. The Governments of China and India vigorously pursue access to global oil reserves and are attempting to develop national petroleum reserves. Participation of the Governments of China and India in an international petroleum reserve mechanism would promote global energy security, but such participation should be conditional on the Governments of China and India abiding by customary petroleum reserve management practices.

(4) In the Western Hemisphere, only the United States and Canada are members of the International Energy Program. The vulnerability of most Western Hemisphere countries to supply disruptions from political, natural, or terrorism causes may introduce instability in the hemisphere and can be a source of conflict, despite the existence of major oil reserves in the hemisphere.

(5) Countries that are not members of the International Energy Program and are unable to maintain their own national strategic reserves are vulnerable to petroleum supply disruption. Disruption in petroleum supply and spikes in petroleum costs could devastate the economies of developing countries and could cause internal or interstate conflict.

(6) The involvement of the United States Government in the extension of international mechanisms to coordinate strategic petroleum reserves and the extension of other emergency preparedness measures should strengthen the current International Energy Program.

(b) ENERGY CRISIS RESPONSE MECHANISMS WITH INDIA AND CHINA.—

(1) AUTHORITY.—The Secretary of State, in coordination with the Secretary of Energy, should immediately seek to establish a petroleum crisis response mechanism or mechanisms with the Governments of China and India.

(2) SCOPE.—The mechanism or mechanisms established under paragraph (1) should include—

(A) technical assistance in the development and management of national strategic petroleum reserves;

(B) agreements for coordinating drawdowns of strategic petroleum reserves with the United States, conditional upon reserve holdings and management conditions established by the Secretary of Energy;

(C) emergency demand restraint measures;

(D) fuel switching preparedness and alternative fuel production capacity; and

(E) ongoing demand intensity reduction programs.

(3) USE OF EXISTING AGREEMENTS TO ESTABLISH MECHANISM.—The Secretary may, after consultation with Congress and in accordance with existing international agreements, including the International Energy Program,

include China and India in a petroleum crisis response mechanism through existing or new agreements.

(c) ENERGY CRISIS RESPONSE MECHANISM FOR THE WESTERN HEMISPHERE.—

(1) AUTHORITY.—The Secretary of State, in coordination with the Secretary of Energy, should immediately seek to establish a Western Hemisphere energy crisis response mechanism.

(2) SCOPE.—The mechanism established under paragraph (1) should include—

(A) an information sharing and coordinating mechanism in case of energy supply emergencies;

(B) technical assistance in the development and management of national strategic petroleum reserves within countries of the Western Hemisphere;

(C) technical assistance in developing national programs to meet the requirements of membership in a future international energy application procedure as described in subsection (d);

(D) emergency demand restraint measures;

(E) energy switching preparedness and alternative energy production capacity; and

(F) ongoing demand intensity reduction programs.

(3) MEMBERSHIP.—The Secretary should seek to include in the Western Hemisphere energy crisis response mechanism membership for each major energy producer and major energy consumer in the Western Hemisphere and other members of the Hemisphere Energy Cooperation Forum authorized under section 706.

(d) INTERNATIONAL ENERGY PROGRAM APPLICATION PROCEDURE.—

(1) AUTHORITY.—The President should place on the agenda for discussion at the Governing Board of the International Energy Agency, as soon as practicable, the merits of establishing an international energy program application procedure.

(2) PURPOSE.—The purpose of such procedure is to allow countries that are not members of the International Energy Program to apply to the Governing Board of the International Energy Agency for allocation of petroleum reserve stocks in times of emergency on a grant or loan basis. Such countries should also receive technical assistance for, and be subject to, conditions requiring development and management of national programs for energy emergency preparedness, including demand restraint, fuel switching preparedness, and development of alternative fuels production capacity.

(e) REPORTS REQUIRED.—

(1) PETROLEUM RESERVES.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Energy shall submit to the appropriate congressional committees a report that evaluates the options for adapting the United States national strategic petroleum reserve and the international petroleum reserve coordinating mechanism in order to carry out this section.

(2) CRISIS RESPONSE MECHANISMS.—Not later than 180 days after the date of the enactment of this Act, the Secretary of State, in coordination with the Secretary of Energy, shall submit to the appropriate congressional committees a report on the status of the establishment of the international petroleum crisis response mechanisms described in subsections (b) and (c). The report shall include recommendations of the Secretary of State and the Secretary of Energy for any legislation necessary to establish or carry out such mechanisms.

(3) EMERGENCY APPLICATION PROCEDURE.—Not later than 60 days after a discussion by the Governing Board of the International Energy Agency of the application procedure described under subsection (d), the President should submit to Congress a report that describes—

(A) the actions the United States Government has taken pursuant to such subsection; and

(B) a summary of the debate on the matter before the Governing Board of the International Energy Agency, including any decision that has been reached by the Governing Board with respect to the matter.

SEC. 706. HEMISPHERE ENERGY COOPERATION FORUM.

(a) FINDINGS.—Congress makes the following findings:

(1) The engagement of the United States Government with governments of countries in the Western Hemisphere is a strategic priority for reducing the potential for tension over energy resources, maintaining and expanding reliable energy supplies, expanding use of renewable energy, and reducing the detrimental effects of energy import dependence within the hemisphere. Current energy dialogues should be expanded and refocused as needed to meet this challenge.

(2) Countries of the Western Hemisphere can most effectively meet their common needs for energy security and sustainability through partnership and cooperation. Cooperation between governments on energy issues will enhance bilateral relationships among countries of the hemisphere. The Western Hemisphere is rich in natural resources, including biomass, oil, natural gas, coal, and has significant opportunity for production of renewable hydro, solar, wind, and other energies. Countries of the Western Hemisphere can provide convenient and reliable markets for trade in energy goods and services.

(3) Development of sustainable energy alternatives in the countries of the Western Hemisphere can improve energy security, balance of trade, and environmental quality and provide markets for energy technology and agricultural products. Brazil and the United States have led the world in the production of ethanol, and deeper cooperation on biofuels with other countries of the hemisphere would extend economic and security benefits.

(4) Private sector partnership and investment in all sources of energy is critical to providing energy security in the Western Hemisphere.

(b) HEMISPHERE ENERGY COOPERATION FORUM.—

(1) ESTABLISHMENT.—The Secretary of State, in coordination with the Secretary of Energy, should immediately seek to establish a regional-based ministerial forum to be known as the Hemisphere Energy Cooperation Forum.

(2) PURPOSES.—The Hemisphere Energy Cooperation Forum should seek—

(A) to strengthen relationships between the United States and other countries of the Western Hemisphere through cooperation on energy issues;

(B) to enhance cooperation between major energy producers and major energy consumers in the Western Hemisphere, particularly among the governments of Brazil, Canada, Mexico, the United States, and Venezuela;

(C) to ensure that energy contributes to the economic, social, and environmental enhancement of the countries of the Western Hemisphere;

(D) to provide an opportunity for open dialogue and joint commitments between member governments and with private industry; and

(E) to provide participating countries the flexibility necessary to cooperatively address broad challenges posed to the energy supply of the Western Hemisphere that are practical in policy terms and politically acceptable.

(3) ACTIVITIES.—The Hemisphere Energy Cooperation Forum should implement the following activities:

(A) An Energy Crisis Initiative that will establish measures to respond to temporary energy supply disruptions, including through—

(i) strengthening sea-lane and infrastructure security;

(ii) implementing a real-time emergency information sharing system;

(iii) encouraging members to have emergency mechanisms and contingency plans in place; and

(iv) establishing a Western Hemisphere energy crisis response mechanism as authorized under section 705(c).

(B) An Energy Sustainability Initiative to facilitate long-term supply security through fostering reliable supply sources of fuels, including development, deployment, and commercialization of technologies for sustainable renewable fuels within the region, including activities that—

(i) promote production and trade in sustainable energy, including energy from biomass;

(ii) facilitate investment, trade, and technology cooperation in energy infrastructure, petroleum products, natural gas (including liquefied natural gas), energy efficiency (including automotive efficiency), clean fossil energy, renewable energy, and carbon sequestration;

(iii) promote regional infrastructure and market integration;

(iv) develop effective and stable regulatory frameworks;

(v) develop renewable fuels standards and renewable portfolio standards;

(vi) establish educational training and exchange programs between member countries; and

(vii) identify and remove barriers to trade in technology, services, and commodities.

(C) An Energy for Development Initiative to promote energy access for underdeveloped areas through energy policy and infrastructure development, including activities that—

(i) increase access to energy services for the poor;

(ii) improve energy sector market conditions;

(iii) promote rural development though biomass energy production and use;

(iv) increase transparency of, and participation in, energy infrastructure projects;

(v) promote development and deployment of technology for clean and sustainable energy development, including biofuel and clean coal technologies; and

(vi) facilitate use of carbon sequestration methods in agriculture and forestry and linking greenhouse gas emissions reduction programs to international carbon markets.

(c) HEMISPHERE ENERGY INDUSTRY GROUP.—

(1) AUTHORITY.—The Secretary of State, in coordination with the Secretary of Commerce and the Secretary of Energy, should approach the governments of other countries in the Western Hemisphere to seek cooperation in establishing a Hemisphere Energy Industry Group, to be coordinated by the United States Government, involving industry representatives and government representatives from the Western Hemisphere.

(2) PURPOSE.—The purpose of the forum should be to increase public-private partnerships, foster private investment, and enable countries of the Western Hemisphere to devise energy agendas compatible with industry capacity and cognizant of industry goals.

(3) TOPICS OF DIALOGUES.—Topics for the forum should include—

(A) promotion of a secure investment climate;

(B) development and deployment of biofuels and other alternative fuels and clean electrical production facilities, including clean coal and carbon sequestration;

(C) development and deployment of energy efficient technologies and practices, including in the industrial, residential, and transportation sectors;

(D) investment in oil and natural gas production and distribution;

(E) transparency of energy production and reserves data;

(F) research promotion; and

(G) training and education exchange programs.

(d) ANNUAL REPORT.—The Secretary of State, in coordination with the Secretary of Energy, shall submit to the appropriate congressional committees an annual report on the implementation of this section, including the strategy and benchmarks for measurement of progress developed under this section.

SEC. 707. APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.

In this title, the term ''appropriate congressional committees'' means the Committee on Foreign Relations and the Committee on Energy and Natural Resources of the Senate and the Committee on Foreign Affairs and the Committee on Energy and Commerce of the House of Representatives.

By Mr. MENENDEZ (for himself and Mr. LAUTENBERG):

S. 1420. A bill to amend title XIX of the Social Security Act to require staff working with developmentally disabled individuals to call emergency services in the event of a life-threatening situation; to the Committee on Finance.

Mr. MENENDEZ. Mr. President, I rise today with my good friend Senator LAUTENBERG to reintroduce Danielle's Act, an important piece of legislation that I know will save countless lives. I would also like to recognize Representative RUSH HOLT, who has championed the bill in the House and has been a tireless advocate for individuals with disabilities. This bill is named in memory of a young woman from New Jersey, Danielle Gruskowski, whose life was cut tragically short by a failure to call 9–1–1. The great State of New Jersey has already passed Danielle's Law, and it is time for Congress to act as well.

In order to understand the importance of this legislation, I would like to share Danielle's story. She was born December 6, 1969, to Diane and Doug Gruskowski and raised in Carteret, NJ. Danielle was developmentally disabled and diagnosed with Rett Syndrome, a neurological disorder that causes a delay or regression in development, including speech, hand skills, and coordination. While Danielle needed help with daily activities, she managed to lead a full and active life. As a young adult, Danielle moved to a group home to experience the positive benefits of independent living. Tragically, on November 5, 2002, Danielle passed away at the age of 32 because no one in the group home called 9–1–1 when she was clearly in need of emergency medical attention.

So that no other mother would lose her child in such a tragic circumstance, Danielle's mother and her aunt, Robin Turner, developed a strong coalition of supporters and worked with their State representatives to develop and pass what we know as Danielle's Law. Like the New Jersey law, my bill will require staff working with individuals who have a developmental disability or traumatic brain injury to call emergency services in the event of a life-threatening situation. The legislation would raise the standard of care by improving staff training and ensuring that individuals with developmental disabilities get emergency care when they need it.

All Americans deserve an advocate, and today I am speaking for those who often cannot speak for themselves. I am proud to be an advocate for individuals with disabilities, and I am proud to be an advocate for the families in New Jersey who are counting on safe, secure, and healthy independent living environments for their loved ones with disabilities. I also would like to recognize the hard-working caregivers and staff who help provide for the needs of those with disabilities. They show their compassion every day when they show up for work, performing one of the most difficult but rewarding jobs in our society—caring for someone's mother, father, son, or daughter. These caregivers play such a critical role in our society and their contributions are to be commended. By raising awareness and education about Danielle's Law, my hope is that more caregivers will realize how important it is to call 9–1–1 for all life-threatening situations and that better training and support will be provided to staff across the country.

I am reintroducing this legislation to remember Danielle and to make sure no other family or community experiences the pain and suffering of losing a loved one to an avoidable death. I hope my colleagues will join me in supporting this important bill.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1420

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as ''Danielle's Act''.

SEC. 2. REQUIREMENT OF STAFF WORKING WITH DEVELOPMENTALLY DISABLED INDIVIDUALS TO CALL EMERGENCY SERVICES IN THE EVENT OF A LIFE-THREATENING SITUATION.

(a) REQUIREMENT.—Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)) is amended—

(1) in paragraph (69), by striking ''and'' at the end;

(2) in paragraph (70), by striking the period at the end and inserting ''; and''; and

(3) by inserting after paragraph (70) the following new paragraph:

''(71) provide, in accordance with regulations of the Secretary, that direct care staff providing health-related services to a individual with a developmental disability or traumatic brain injury are required to call the 911 emergency telephone service or equivalent emergency management service for assistance in the event of a life-threatening emergency to such individual and to report such call to the appropriate State agency or department.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) take effect on January 1, 2008.

By Mr. AKAKA:

S. 1421. A bill to provide for the maintenance, management, and availability for research of assets of Air Force Health Study; to the Committee on Veterans' Affairs.

Mr. AKAKA. Mr. President, today I am introducing legislation intended to ensure that valuable biological specimens and data from a seminal Air Force Health Study will be properly maintained and safeguarded for future research opportunities.

In 1979, the U.S. Air Force began a study that lasted over 20 years to evaluate the health outcomes of occupational exposure to agent orange among the men who were members of Operation Ranch Hand during the Vietnam War. That study is now completed.

During six cycles of examinations—1982, 1985, 1987, 1992, 1997, and 2002—in which 2,758 members of the Air Force participated, data and specimens were gathered. No other epidemiological data set of Vietnam veterans contains as detailed information over as long a time period. Analysis of this data has contributed to a greater understanding of the long-term health effects of exposure to agent orange. Approximately $143 million was spent on this study.

An amendment I authored last year, which was included in the 2006 National Defense Authorization Act, resulted in transferring Ranch Hand Study materials from the Air Force to the Medical Follow-Up Agency of the Institute of Medicine for preservation and future use. In order to make the most effective use of this material, the Medical Follow-Up Agency requires small amounts of funding for several years to ensure that the specimens and data are properly maintained in a useful format and made available for further research.

My bill is consistent with the recommendations of the Institute of Medicine's report on the disposition of the study. I urge my colleagues to support this legislation.

By Mr. LUGAR:

S. 1422. A bill to direct the Secretary of Agriculture to establish a program to provide to agricultural operators and producers a reserve to assist in the stabilization of farm income during low-revenue years, to assist operators and producers to invest in value-added farms, to promote higher levels of environmental stewardship, and for other purposes; to the Committee on Finance.

Mr. LUGAR. Mr. President, I rise to introduce the Farm Risk Management Act for the 21st Century. This bill is a

blueprint on how to transition away from the farm programs linked to the Great Depression into a new market driven system. We have also suggested how Congress could utilize achieved savings to improve our farm economy, our environment, alleviate hunger, promote renewable energy, and reduce our Federal deficit.

Current Federal Farm Programs target payments to a relatively narrow sector of American farmers and provide direct payments regardless of commodity prices. The bulk of these payments are made to growers of just 5 crops. Cotton, rice, corn, wheat, and soybean farmers receive about 85 percent of the annual payments provided by U.S. taxpayers. Notably, about 70 percent of these payments go to only 10 percent of our nation's farmers.

The current farm subsidy system is inequitable, inefficient, and disconnected from the core goal of maintaining a family farm safety net. It is also self-perpetuating, in that it stimulates over-production and stagnant prices that produce calls for greater Government support. I believe that what we need is a true safety net that would embrace all farmers, avoid incentives to overproduce commodities when market signals do not exist, and lower costs for taxpayers.

On my farm in Marion County, IN, we have 604 acres of corn, soybeans, and trees. This farm currently qualifies and receives direct payments as well as counter-cyclical and loan deficiency payments when prices dictate. Under this new plan we would continue to receive these payments for one year. After that year the farm will receive direct payments that decline over the next 5 years, and most of those payments would be deposited in an individual risk management account held in conjunction with the Secretary of Agriculture at a lending institution of our choice. We would be able to use funds from this risk management account to purchase crop or revenue insurance, to invest in enterprises that add value to the crops we produce, or to cover losses not covered by crop or revenue insurance compared to the 5 year revenue average of our operation. This legislation would also provide incentives for employing environmentally responsible farming techniques and other conservation practices.

In addition to being a more market oriented approach, the plan also has the added advantage of saving Federal resources, which will be invested in conservation activities, domestic and international nutrition programs, bioenergy research and deployment, and deficit reduction.

By Mr. PRYOR (for himself, Ms. COLLINS, and Mr. WARNER):

S. 1425. A bill to enhance the defense nanotechnology research and development program; to the Committee on Armed Services.

Mr. PRYOR. Mr. President, I rise today with my colleagues Senator COLLINS from Maine and Senator WARNER from Virginia to introduce legislation to strengthen the Department of Defense nanotechnology initiative. I greatly appreciate their strong leadership on this issue and their understanding of the importance of how the development of nanotechnology will impact our armed forces in the future.

This bill, the Defense Nanotechnology Research and Development Act of 2007, sustains the Department's nanotechnology research and development program while at the same time transitioning the technologies developed into products that can enhance the United States military capability.

The Department of Defense has done a tremendous job conducting nanotechnology research and development. Examples of this nanotechnology research include improved energy absorbing body armor, lightweight batteries, and novel chemical and biological sensor. I believe now is the time to start the transition of this research into new technologies and products to protect our military personnel and enhance our war fighting capability.

The Department of Defense has a long history of successfully supporting innovative nanotechnology research efforts for the future advancement of the war fighter and battle systems. Congress established the defense nanotechnology research program Section 246 of the Bob Stump National Defense Authorization Act for fiscal year 2003, Public Law 107–314, which this bill updates and enhances. Section 246 requires the Secretary of Defense to carry out a defense nanotechnology research and development program in coordination with other Federal agencies performing nanotechnology research and development activities established by the 21st Century Nanotechnology Research and Development Act, Public Law 108–153. The investment strategy described in the National Nanotechnology Initiative, or NNI, Strategic Plan identifies and defines 7 major subject categories, or program component areas, relating to areas of investment that are critical to accomplishing the overall goals of the NNI. The Department of Defense has organized its nanotechnology research to align with these 7 program component areas and each year since 2004 has submitted to Congress an annual report on the nanotechnology programs within the Department of Defense.

This bill requires the Secretary of Defense to act through the Under Secretary for Acquisition, Technology and Logistics, who shall supervise the planning, management, and coordination of the program. We believe this office can best achieve the goals of maintaining a state-of-the-art research and development program while simultaneously accomplishing technology transition. The bill directs the Department to coordinate all nanoscale research and development within the Department of Defense with other departments and agencies of the United States that are involved in the NNI and with the National Nanotechnology Coordination Office, NNCO, including providing appropriate funds to support the NNCO. The bill also directs the Department to develop a strategic plan for defense nanotechnology research and development that integrates with the NNI strategic plan, issue policy guidance each year to the defense agencies and services that prioritizes the Program's research initiatives, state a clear strategy for transitioning the research into products needed by the Department of Defense, and develop a plan to transition nanoscale research and development within the Department of Defense, including the Small Business Innovative Research and Small Business Technology Transfer Research programs, to the Department of Defense Manufacturing Technology program.

Finally, the bill requires the Department to submit a biennial report to the congressional defense committees describing the Department's coordination with the other departments and agencies participating in the NNI, a review of the findings relating to the Department by the NNI triennial external review, an assessment of the Department's technology transition from research to enhanced war fighting capability, an evaluation of nanotechnology used in foreign defense systems, and an appraisal of the defense nanotechnology manufacturing and industrial base. Because there is a need for metrics and goals to ensure that the Department's nanotechnology program is well structured and successfully developing needed defense technologies, the bill requires a review by the Government Accountability Office of the overall Department nanotechnology program.

Nanotechnology is one of the next great scientific frontiers with the potential to enable novel applications that can enhance war fighting and battle system capabilities. I am proud to say that in Arkansas several universities including the University of Arkansas, the University of Arkansas at Little Rock, and Arkansas State University are performing research and technology development in support of the Department of Defense nanotechnology program. One example of particular note is the Center for Ferroelectric Electronic-Photonic Nanodevices that is developing new nanomagnetic devices for high performance information and communication technology. Our Arkansas small businesses are also contributing to the defense nanotechnology industrial base by developing novel nanoscale materials, devices, and products.

I am very excited by the future nanotechnology holds for Arkansas and the United States. As a member of the Senate Armed Services Committee I look forward to working to strengthen the Department of Defense nanotechnology program.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1425

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ENHANCEMENT OF DEFENSE NANOTECHNOLOGY RESEARCH AND DEVELOPMENT PROGRAM.

(a) PROGRAM PURPOSES.—Subsection (b) of section 246 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2500; 10 U.S.C. 2358 note) is amended—

(1) in paragraph (2), by striking ''in nanoscale research and development'' and inserting ''in the National Nanotechnology Initiative and with the National Nanotechnology Coordination Office under section 3 of the 21st Century Nanotechnology Research and Development Act (15 U.S.C. 7502)''; and

(2) in paragraph (3), by striking ''portfolio of fundamental and applied nanoscience and engineering research initiatives'' and inserting ''portfolio of nanotechnology research and development initiatives''.

(b) PROGRAM ADMINISTRATION.—

(1) ADMINISTRATION THROUGH UNDER SECRETARY OF DEFENSE FOR ACQUISITION, TECHNOLOGY, AND LOGISTICS.—Subsection (c) of such section is amended—

(A) by striking ''the Director of Defense Research and Engineering'' and inserting ''the Under Secretary of Defense for Acquisition, Technology, and Logistics''; and

(B) by striking ''The Director'' and inserting ''The Under Secretary''.

(2) OTHER ADMINISTRATIVE MATTERS.—Such subsection is further amended—

(A) in paragraph (2), by striking ''the Department's increased investment in nanotechnology and the National Nanotechnology Initiative; and'' and inserting ''investments by the Department and other departments and agencies participating in the National Nanotechnology Initiative in nanotechnology research and development;'';

(B) in paragraph (3), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following new paragraph:

''(4) oversee interagency coordination of the program with other departments and agencies participating in the National Nanotechnology Initiative, including providing appropriate funds to support the National Nanotechnology Coordination Office.''.

(c) PROGRAM ACTIVITIES.—Such section is further amended—

(1) by striking subsection (d); and

(2) by adding at the end the following new subsection (d):

''(d) ACTIVITIES.—Activities under the program shall include the following:

''(1) The development of a strategic plan for defense nanotechnology research and development that is integrated with the strategic plan for the National Nanotechnology Initiative.

''(2) The issuance on an annual basis of policy guidance to the military departments and the Defense Agencies that—

''(A) establishes research priorities under the program;

''(B) provides for the determination and documentation of the benefits to the Department of Defense of research under the program; and

''(C) sets forth a clear strategy for transitioning the research into products needed by the Department.

''(3) Advocating for the transition of nanotechnologies in defense acquisition programs, including the development of nanomanufacturing capabilities and a nanotechnology defense industrial base.''.

(d) REPORTS.—Such section is further amended by adding at the end the following new subsection:

''(e) REPORTS.—(1) Not later than March 1 of each of 2009, 2011, and 2013, the Under Secretary of Defense for Acquisition, Technology, and Logistics shall submit to the congressional defense committees a report on the program.

''(2) Each report under paragraph (1) shall include the following:

''(A) A review of—

''(i) the long-term challenges and specific technical goals of the program; and

''(ii) the progress made toward meeting such challenges and achieving such goals.

''(B) An assessment of current and proposed funding levels for the program, including an assessment of the adequacy of such funding levels to support program activities.

''(C) A review of the coordination of activities under the program within the Department of Defense, with other departments and agencies of the United States, and with the National Nanotechnology Initiative.

''(D) A review and analysis of the findings and recommendations relating to the Department of Defense of the most recent triennial external review of the National Nanotechnology Program under section 5 of the 21st Century Nanotechnology Research and Development Act (15 U.S.C. 1704), and a description of initiatives of the Department to implement such recommendations.

''(E) An assessment of technology transition from nanotechnology research and development to enhanced warfighting capabilities, including contributions from the Department of Defense Small Business Innovative Research and Small Business Technology Transfer Research programs, and the Department of Defense Manufacturing Technology program, and an identification of acquisition programs and deployed defense systems that are incorporating nanotechnologies.

''(F) An assessment of global nanotechnology research and development in areas of interest to the Department, including an identification of the use of nanotechnologies in any foreign defense systems.

''(G) An assessment of the defense nanotechnology manufacturing and industrial base and its capability to meet the near and far term requirements of the Department.

''(H) Such recommendations for additional activities under the program to meet emerging national security requirements as the Under Secretary considers appropriate.

''(3) Each report under paragraph (1) shall be submitted in unclassified form, but may include a classified annex.''.

(e) COMPTROLLER GENERAL REPORT ON PROGRAM.—Not later than March 31, 2010, the Comptroller General of the United States shall submit to the congressional defense committees a report setting forth the assessment of the Comptroller General of the progress made by the Department of Defense in achieving the purposes of the defense nanotechnology research and development program required by section 246 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (as amended by this section).

By Mrs. CLINTON (for herself, Mrs. BOXER, Ms. MIKULSKI, Mr. LAUTENBERG, Mr. LEAHY, Ms. LANDRIEU, and Mr. AKAKA):

S. 1427. A bill to establish the Federal Emergency Management Agency as an independent agency, and for other purposes; to the Committee on Homeland Security and Governmental Affairs.

Mrs. CLINTON. Mr. President, today I am introducing legislation to remove the Federal Emergency Management Agency, FEMA, from the Department of Homeland Security and restore it as an independent, cabinet-level agency.

In the days after Hurricanes Katrina and Rita, Americans witnessed incompetence on the part of FEMA, the Department of Homeland Security, and the Administration in responding to a catastrophe of this magnitude. Countless Americans who were left behind were failed by their government when they needed help the most.

Sadly, the tragedy continues for the more than 80,000 people still living in trailers and for the cities and towns still struggling to rebuild. In the years since the catastrophes of Katrina and Rita, FEMA's failures have continued.

The Inspector General for the Department of Homeland Security found that FEMA awarded $3.6 billion in contracts to maintain trailers for hurricane victims to companies with no ties to the Gulf Coast region and bad paperwork.

In the aftermath of Hurricanes Katrina and Rita, FEMA wasted $1 billion in improper payments to individuals. FEMA spent $900 million on trailers that could not be used in flood zones. And FEMA paid $1.8 billion for hotel rooms and cruise ship cabins that were more expensive than apartments.

It was reported recently that more than $40 million worth of stockpiled food for the 2006 hurricane season spoiled due to FEMA's lack of preparation.

FEMA also disclosed in recent days that it will not have a new national response plan ready in time for the start of this year's hurricane season.

It is past time to restore competence and accountability, and to reestablish FEMA as an independent agency outside the Department of Homeland Security.

In the Clinton administration, the head of FEMA reported directly to the President of the United States and that direct communication meant the buck stopped with the President, instead of being lost in the bureaucracy.

The Government Accountability Office says that managing the transformation of an agency of the size and complexity of the Department of Homeland Security will likely span a number of years. Unfortunately with regard to preparing and recovering from a disaster, we cannot wait years for the Department of Homeland Security to live up to its intended mission. When the next disaster or catastrophe happens, we cannot afford to say that we'll be ready next time.

Under my legislation, the Director of FEMA reports directly to the President

and would have full authority to coordinate with all agencies and to take the necessary action to ensure resources and recovery personnel are deployed quickly in an emergency to impacted areas.

When we created the Department of Homeland Security, in the Homeland Security Act of 2002, I said then that I was deeply concerned about moving FEMA under the Department of Homeland Security because when it operated as an independent agency, especially on September 11 and in the response thereafter, it was highly-functioning, and well-run.

I remarked then that moving FEMA under the Department of Homeland Security must not force a highly-functioning and competent agency into a bureaucracy that will challenge integration and diminish FEMA's effectiveness in responding to crises of all kinds. Unfortunately, that seems to be exactly what has happened and that is exactly what we must fix.

The bureaucracy created by moving FEMA under the Department of Homeland Security is clearly not working and we must ensure that FEMA has the ability and the authority to respond to a disaster or catastrophe. I thank all of my colleagues who have cosponsored this legislation and I hope that every Senator in this chamber will cosponsor this legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1427

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Federal Emergency Management Improvement Act of 2007''.

TITLE I—FEDERAL EMERGENCY MANAGEMENT AGENCY

SEC. 101. DEFINITIONS.

In this title—

(1) the term ''catastrophic incident'' means any natural disaster, act of terrorism, or other man-made disaster that results in extraordinary levels of casualties or damage or disruption severely affecting the population (including mass evacuations), infrastructure, environment, economy, national morale, or government functions in an area;

(2) the term ''Director'' means the Director of the Federal Emergency Management Agency ;

(3) the term ''Federal coordinating officer'' means a Federal coordinating officer as described in section 302 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5143);

(4) the term ''interoperable'' has the meaning given the term ''interoperable communications'' under section 7303(g)(1) of the Intelligence Reform and Terrorism Prevention Act of 2004 (6 U.S.C. 194(g)(1));

(5) the term ''National Advisory Council'' means the National Advisory Council established under section 508 of the Homeland Security Act of 2002;

(6) the term ''National Incident Management System'' means a system to enable effective, efficient, and collaborative incident management;

(7) the term ''National Response Plan'' means the National Response Plan or any successor plan prepared under section 104(b)(6);

(8) the term ''Nuclear Incident Response Team'' means a resource that includes—

(A) those entities of the Department of Energy that perform nuclear or radiological emergency support functions (including accident response, search response, advisory, and technical operations functions), radiation exposure functions at the medical assistance facility known as the Radiation Emergency Assistance Center/Training Site (REAC/TS), radiological assistance functions, and related functions; and

(B) those entities of the Environmental Protection Agency that perform such support functions (including radiological emergency response functions) and related functions; and

(9) the term ''tribal government'' means the government of any entity described under section 2(10)(B) of the Homeland Security Act of 2002 (6 U.S.C. 101).

SEC. 102. ESTABLISHMENT OF AGENCY AND DIRECTOR AND DEPUTY DIRECTOR.

(a) ESTABLISHMENT.—The Federal Emergency Management Agency is established as an independent establishment in the executive branch as defined under section 104 of title 5, United States Code.

(b) DIRECTOR.—

(1) IN GENERAL.—The Director of the Federal Emergency Management Agency shall be the head of the Federal Emergency Management Agency. The Director shall be appointed by the President, by and with the advice and consent of the Senate. The Director shall report directly to the President.

(2) QUALIFICATIONS.—The Director of the Federal Emergency Management Agency shall have significant experience, knowledge, training, and expertise in the area of emergency preparedness, response, recovery, and mitigation as related to natural disasters and other national cataclysmic events.

(3) EXECUTIVE SCHEDULE POSITION.—Section 5312 of title 5, United States Code, is amended by adding at the end the following:

''Director of the Federal Emergency Management Agency.''.

(4) PRINCIPAL ADVISOR ON EMERGENCY MANAGEMENT.—

(A) IN GENERAL.—The Director of the Federal Emergency Management Agency is the principal advisor to the President, the Homeland Security Council, and the Secretary of Homeland Security for all matters relating to emergency management in the United States.

(B) ADVICE AND RECOMMENDATIONS.—

(i) IN GENERAL.—In presenting advice with respect to any matter to the President, the Homeland Security Council, or the Secretary of Homeland Security, the Director of the Federal Emergency Management Agency shall, as the Director considers appropriate, inform the President, the Homeland Security Council, or the Secretary, as the case may be, of the range of emergency preparedness, protection, response, recovery, and mitigation options with respect to that matter.

(ii) ADVICE ON REQUEST.—The Director of the Federal Emergency Management Agency, as the principal advisor on emergency management, shall provide advice to the President, the Homeland Security Council, or the Secretary of Homeland Security on a particular matter when the President, the Homeland Security Council, or the Secretary requests such advice.

(iii) RECOMMENDATIONS TO CONGRESS.—After informing the President, the Director of the Federal Emergency Management Agency may make such recommendations to Congress relating to emergency management as the Director considers appropriate.

(5) CABINET STATUS.—The President shall designate the Administrator to serve as a member of the Cabinet in the event of natural disasters, acts of terrorism, or other man-made disasters.

(c) DEPUTY DIRECTOR.—

(1) IN GENERAL.—The Deputy Director of the Federal Emergency Management Agency shall assist the Director of the Federal Emergency Management Agency. The Deputy Director shall be appointed by the President, by and with the advice and consent of the Senate.

(2) QUALIFICATIONS.—The Deputy Director of the Federal Emergency Management Agency shall have significant experience, knowledge, training, and expertise in the area of emergency preparedness, response, recovery, and mitigation as related to natural disasters and other national cataclysmic events.

(3) EXECUTIVE SCHEDULE POSITION.—Section 5313 of title 5, United States Code, is amended—

(A) by striking the following:

''Administrator of the Federal Emergency Management Agency.''; and

(B) by adding at the end the following:

''Deputy Director of the Federal Emergency Management Agency.''.

SEC. 103. MISSION.

(a) PRIMARY MISSION.—The primary mission of the Federal Emergency Management Agency is to reduce the loss of life and property and protect the Nation from all hazards, including natural disasters, acts of terrorism, and other man-made disasters, by leading and supporting the Nation in a risk-based, comprehensive emergency management system of preparedness, protection, response, recovery, and mitigation.

(b) SPECIFIC ACTIVITIES.—In support of the primary mission of the Federal Emergency Management Agency, the Director shall—

(1) lead the Nation's efforts to prepare for, protect against, respond to, recover from, and mitigate against the risk of natural disasters, acts of terrorism, and other man-made disasters, including catastrophic incidents;

(2) partner with State, local, and tribal governments and emergency response providers, with other Federal agencies, with the private sector, and with nongovernmental organizations to build a national system of emergency management that can effectively and efficiently utilize the full measure of the Nation's resources to respond to natural disasters, acts of terrorism, and other man-made disasters, including catastrophic incidents;

(3) develop a Federal response capability that, when necessary and appropriate, can act effectively and rapidly to deliver assistance essential to saving lives or protecting or preserving property or public health and safety in a natural disaster, act of terrorism, or other man-made disaster;

(4) integrate the Federal Emergency Management Agency's emergency preparedness, protection, response, recovery, and mitigation responsibilities to confront effectively the challenges of a natural disaster, act of terrorism, or other man-made disaster;

(5) develop and maintain robust Regional Offices that will work with State, local, and tribal governments, emergency response providers, and other appropriate entities to identify and address regional priorities;

(6) coordinate with the Secretary of Homeland Security, the Commandant of the Coast Guard, the Director of Customs and Border Protection, the Director of Immigration and Customs Enforcement, the National Operations Center, and other agencies and offices

in the Department of Homeland Security to take full advantage of the substantial range of resources in that Department;

(7) provide funding, training, exercises, technical assistance, planning, and other assistance to build tribal, local, State, regional, and national capabilities (including communications capabilities), necessary to respond to a natural disaster, act of terrorism, or other man-made disaster; and

(8) develop and coordinate the implementation of a risk-based, all-hazards strategy for preparedness that builds those common capabilities necessary to respond to natural disasters, acts of terrorism, and other man-made disasters while also building the unique capabilities necessary to respond to specific types of incidents that pose the greatest risk to our Nation.

SEC. 104. AUTHORITY AND RESPONSIBILITIES.

(a) IN GENERAL.—The Director of the Federal Emergency Management Agency shall provide Federal leadership necessary to prepare for, protect against, respond to, recover from, or mitigate against a natural disaster, act of terrorism, or other man-made disaster, including—

(1) helping to ensure the effectiveness of emergency response providers to terrorist attacks, major disasters, and other emergencies;

(2) with respect to the Nuclear Incident Response Team, regardless of whether it is operating as an organizational unit of the Department of Homeland Security, and in consultation with the Secretary of Homeland Security—

(A) establishing standards and certifying when those standards have been met;

(B) conducting joint and other exercises and training and evaluating performance; and

(C) providing funds to the Department of Energy and the Environmental Protection Agency, as appropriate, for homeland security planning, exercises and training, and equipment;

(3) providing the Federal Government's response to terrorist attacks and major disasters, including—

(A) managing such response;

(B) directing the Domestic Emergency Support Team, the National Disaster Medical System, and, in consultation with the Secretary of Homeland Security, the Nuclear Incident Response Team (when that team is operating as an organizational unit of the Department of Homeland Security);

(C) overseeing the Metropolitan Medical Response System; and

(D) coordinating other Federal response resources, including requiring deployment of the Strategic National Stockpile, in the event of a terrorist attack or major disaster;

(4) aiding the recovery from terrorist attacks and major disasters;

(5) building a comprehensive national incident management system with Federal, State, and local government personnel, agencies, and authorities, to respond to such attacks and disasters;

(6) consolidating existing Federal Government emergency response plans into a single, coordinated national response plan;

(7) helping ensure the acquisition of operable and interoperable communications capabilities by Federal, State, local, and tribal governments and emergency response providers;

(8) assisting the President in carrying out the functions under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) and carrying out all functions and authorities given to the Director under that Act;

(9) carrying out the mission of the Federal Emergency Management Agency to reduce the loss of life and property and protect the Nation from all hazards by leading and supporting the Nation in a risk-based, comprehensive emergency management system of—

(A) mitigation, by taking sustained actions to reduce or eliminate long-term risks to people and property from hazards and their effects;

(B) preparedness, by planning, training, and building the emergency management profession to prepare effectively for, mitigate against, respond to, and recover from any hazard;

(C) response, by conducting emergency operations to save lives and property through positioning emergency equipment, personnel, and supplies, through evacuating potential victims, through providing food, water, shelter, and medical care to those in need, and through restoring critical public services; and

(D) recovery, by rebuilding communities so individuals, businesses, and governments can function on their own, return to normal life, and protect against future hazards;

(10) increasing efficiencies, by coordinating efforts relating to preparedness, protection, response, recovery, and mitigation;

(11) helping to ensure the effectiveness of emergency response providers in responding to a natural disaster, act of terrorism, or other man-made disaster;

(12) supervising grant programs administered by the Federal Emergency Management Agency;

(13) administering and ensuring the implementation of the National Response Plan, including coordinating and ensuring the readiness of each emergency support function under the National Response Plan;

(14) coordinating with the National Advisory Council established under section 508 of the Homeland Security Act of 2002;

(15) preparing and implementing the plans and programs of the Federal Government for—

(A) continuity of operations;

(B) continuity of government; and

(C) continuity of plans;

(16) minimizing, to the extent practicable, overlapping planning and reporting requirements applicable to State, local, and tribal governments and the private sector;

(17) maintaining and operating within the Federal Emergency Management Agency the National Response Coordination Center or its successor;

(18) developing a national emergency management system that is capable of preparing for, protecting against, responding to, recovering from, and mitigating against catastrophic incidents;

(19) assisting the President in carrying out the functions under the national preparedness goal and the national preparedness system and carrying out all functions and authorities of the Director under the national preparedness System;

(20) carrying out all authorities of the Federal Emergency Management Agency; and

(21) otherwise carrying out the mission of the Federal Emergency Management Agency as described in section 103.

(b) ALL-HAZARDS APPROACH.—In carrying out the responsibilities under this section, the Director shall coordinate the implementation of a risk-based, all-hazards strategy that builds those common capabilities necessary to prepare for, protect against, respond to, recover from, or mitigate against natural disasters, acts of terrorism, and other man-made disasters, while also building the unique capabilities necessary to prepare for, protect against, respond to, recover from, or mitigate against the risks of specific types of incidents that pose the greatest risk to the Nation.

(c) CONFLICT OF AUTHORITIES.—If the Director determines that there is a conflict between any authority of the Director under this Act, the amendments made by this Act, or the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) and any authority of another Federal officer, the Director shall request that the President make such determinations as may be necessary regarding such authorities.

SEC. 105. REGIONAL OFFICES.

(a) IN GENERAL.—There are in the Federal Emergency Management Agency 10 regional offices, as identified by the Director of the Federal Emergency Management Agency.

(b) MANAGEMENT OF REGIONAL OFFICES.—

(1) REGIONAL ADMINISTRATOR.—Each Regional Office shall be headed by a Regional Administrator who shall be appointed by the Director, after consulting with State, local, and tribal government officials in the region. Each Regional Administrator shall report directly to the Director and be in the Senior Executive Service.

(2) QUALIFICATIONS.—

(A) IN GENERAL.—Each Regional Administrator shall be appointed from among individuals who have a demonstrated ability in and knowledge of emergency management and homeland security.

(B) CONSIDERATIONS.—In selecting a Regional Administrator for a Regional Office, the Director shall consider the familiarity of an individual with the geographical area and demographic characteristics of the population served by such Regional Office.

(c) RESPONSIBILITIES.—

(1) IN GENERAL.—The Regional Administrator shall work in partnership with State, local, and tribal governments, emergency managers, emergency response providers, medical providers, the private sector, nongovernmental organizations, multijurisdictional councils of governments, and regional planning commissions and organizations in the geographical area served by the Regional Office to carry out the responsibilities of a Regional Administrator under this section.

(2) RESPONSIBILITIES.—The responsibilities of a Regional Administrator include—

(A) ensuring effective, coordinated, and integrated regional preparedness, protection, response, recovery, and mitigation activities and programs for natural disasters, acts of terrorism, and other man-made disasters (including planning, training, exercises, and professional development);

(B) assisting in the development of regional capabilities needed for a national catastrophic response system;

(C) coordinating the establishment of effective regional operable and interoperable emergency communications capabilities;

(D) staffing and overseeing 1 or more strike teams within the region under subsection (f), to serve as the focal point of the Federal Government's initial response efforts for natural disasters, acts of terrorism, and other man-made disasters within that region, and otherwise building Federal response capabilities to respond to natural disasters, acts of terrorism, and other man-made disasters within that region;

(E) designating an individual responsible for the development of strategic and operational regional plans in support of the National Response Plan;

(F) fostering the development of mutual aid and other cooperative agreements;

(G) identifying critical gaps in regional capabilities to respond to populations with special needs;

(H) maintaining and operating a Regional Response Coordination Center or its successor; and

(I) performing such other duties relating to such responsibilities as the Director may require.

(3) TRAINING AND EXERCISE REQUIREMENTS.—

(A) TRAINING.—The Director shall require each Regional Administrator to undergo specific training periodically to complement the qualifications of the Regional Administrator. Such training, as appropriate, shall include training with respect to the National Incident Management System, the National Response Plan, and such other subjects as determined by the Director.

(B) EXERCISES.—The Director shall require each Regional Administrator to participate as appropriate in regional and national exercises.

(d) AREA OFFICES.—

(1) IN GENERAL.—There is an Area Office for the Pacific and an Area Office for the Caribbean, as components in the appropriate Regional Offices.

(2) ALASKA.—The Director shall establish an Area Office in Alaska, as a component in the appropriate Regional Office.

(e) REGIONAL ADVISORY COUNCIL.—

(1) ESTABLISHMENT.—Each Regional Administrator shall establish a Regional Advisory Council.

(2) NOMINATIONS.—A State, local, or tribal government located within the geographic area served by the Regional Office may nominate officials, including Adjutants General and emergency managers, to serve as members of the Regional Advisory Council for that region.

(3) RESPONSIBILITIES.—Each Regional Advisory Council shall—

(A) advise the Regional Administrator on emergency management issues specific to that region;

(B) identify any geographic, demographic, or other characteristics peculiar to any State, local, or tribal government within the region that might make preparedness, protection, response, recovery, or mitigation more complicated or difficult; and

(C) advise the Regional Administrator of any weaknesses or deficiencies in preparedness, protection, response, recovery, and mitigation for any State, local, and tribal government within the region of which the Regional Advisory Council is aware.

(f) REGIONAL OFFICE STRIKE TEAMS.—

(1) IN GENERAL.—In coordination with other relevant Federal agencies, each Regional Administrator shall oversee multi-agency strike teams authorized under section 303 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5144) that shall consist of—

(A) a designated Federal coordinating officer;

(B) personnel trained in incident management;

(C) public affairs, response and recovery, and communications support personnel;

(D) a defense coordinating officer;

(E) liaisons to other Federal agencies;

(F) such other personnel as the Director or Regional Administrator determines appropriate; and

(G) individuals from the agencies with primary responsibility for each of the emergency support functions in the National Response Plan.

(2) OTHER DUTIES.—The duties of an individual assigned to a Regional Office strike team from another relevant agency when such individual is not functioning as a member of the strike team shall be consistent with the emergency preparedness activities of the agency that employs such individual.

(3) LOCATION OF MEMBERS.—The members of each Regional Office strike team, including representatives from agencies other than the Department, shall be based primarily within the region that corresponds to that strike team.

(4) COORDINATION.—Each Regional Office strike team shall coordinate the training and exercises of that strike team with the State, local, and tribal governments and private sector and nongovernmental entities which the strike team shall support when a natural disaster, act of terrorism, or other man-made disaster occurs.

(5) PREPAREDNESS.—Each Regional Office strike team shall be trained as a unit on a regular basis and equipped and staffed to be well prepared to respond to natural disasters, acts of terrorism, and other man-made disasters, including catastrophic incidents.

(6) AUTHORITIES.—If the Director determines that statutory authority is inadequate for the preparedness and deployment of individuals in strike teams under this subsection, the Director shall report to Congress regarding the additional statutory authorities that the Director determines are necessary.

SEC. 106. NATIONAL INTEGRATION CENTER.

(a) IN GENERAL.—There is established in the Federal Emergency Management Agency a National Integration Center.

(b) RESPONSIBILITIES.—

(1) IN GENERAL.—The Director of the Federal Emergency Management Agency, through the National Integration Center, and in consultation with other Federal departments and agencies and the National Advisory Council, shall ensure ongoing management and maintenance of the National Incident Management System, the National Response Plan, and any successor to such system or plan.

(2) SPECIFIC RESPONSIBILITIES.—The National Integration Center shall periodically review, and revise as appropriate, the National Incident Management System and the National Response Plan, including—

(A) establishing, in consultation with the Director of the Corporation for National and Community Service, a process to better use volunteers and donations;

(B) improving the use of Federal, State, local, and tribal resources and ensuring the effective use of emergency response providers at emergency scenes; and

(C) revising the Catastrophic Incident Annex, finalizing and releasing the Catastrophic Incident Supplement to the National Response Plan, and ensuring that both effectively address response requirements in the event of a catastrophic incident.

(c) INCIDENT MANAGEMENT.—

(1) IN GENERAL.—

(A) NATIONAL RESPONSE PLAN.—The Director of the Federal Emergency Management Agency, in consultation with the Secretary, shall ensure that the National Response Plan provides for a clear chain of command to lead and coordinate the Federal response to any natural disaster, act of terrorism, or other man-made disaster.

(B) DIRECTOR OF THE FEDERAL EMERGENCY MANAGEMENT AGENCY.—The chain of the command specified in the National Response Plan shall—

(i) provide for a role for the Director of the Federal Emergency Management Agency consistent with the role of the Director under this Act and the amendments made by this Act; and

(ii) provide for a role for the Federal Coordinating Officer consistent with the responsibilities under section 302(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5143(b)).

(2) PRINCIPAL FEDERAL OFFICIAL.—The Principal Federal Official (or the successor thereto) shall not—

(A) direct or replace the incident command structure established at the incident; or

(B) have directive authority over the Senior Federal Law Enforcement Official, Federal Coordinating Officer, or other Federal and State officials.

SEC. 107. CREDENTIALING AND TYPING.

The Director of the Federal Emergency Management Agency shall enter into a memorandum of understanding with the administrators of the Emergency Management Assistance Compact, State, local, and tribal governments, and organizations that represent emergency response providers, to collaborate on developing standards for deployment capabilities, including credentialing of personnel and typing of resources likely needed to respond to natural disasters, acts of terrorism, and other man-made disasters.

SEC. 108. DISABILITY COORDINATOR.

(a) IN GENERAL.—After consultation with organizations representing individuals with disabilities, the National Council on Disabilities, and the Interagency Coordinating Council on Preparedness and Individuals with Disabilities, established under Executive Order No. 13347 (6 U.S.C. 312 note), the Director of the Federal Emergency Management Agency shall appoint a Disability Coordinator. The Disability Coordinator shall report directly to the Director, in order to ensure that the needs of individuals with disabilities are being properly addressed in emergency preparedness and disaster relief.

(b) RESPONSIBILITIES.—The Disability Coordinator shall be responsible for—

(1) providing guidance and coordination on matters related to individuals with disabilities in emergency planning requirements and relief efforts in the event of a natural disaster, act of terrorism, or other man-made disaster;

(2) interacting with the staff of the Federal Emergency Management Agency, the National Council on Disabilities, the Interagency Coordinating Council on Preparedness and Individuals with Disabilities established under Executive Order No. 13347 (6 U.S.C. 312 note), other agencies of the Federal Government, and State, local, and tribal government authorities regarding the needs of individuals with disabilities in emergency planning requirements and relief efforts in the event of a natural disaster, act of terrorism, or other man-made disaster;

(3) consulting with organizations that represent the interests and rights of individuals with disabilities about the needs of individuals with disabilities in emergency planning requirements and relief efforts in the event of a natural disaster, act of terrorism, or other man-made disaster;

(4) ensuring the coordination and dissemination of best practices and model evacuation plans for individuals with disabilities;

(5) ensuring the development of training materials and a curriculum for training of emergency response providers, State, local, and tribal government officials, and others on the needs of individuals with disabilities;

(6) promoting the accessibility of telephone hotlines and websites regarding emergency preparedness, evacuations, and disaster relief;

(7) working to ensure that video programming distributors, including broadcasters, cable operators, and satellite television services, make emergency information accessible to individuals with hearing and vision disabilities;

(8) ensuring the availability of accessible transportation options for individuals with disabilities in the event of an evacuation;

(9) providing guidance and implementing policies to ensure that the rights and wishes of individuals with disabilities regarding post-evacuation residency and relocation are respected;

(10) ensuring that meeting the needs of individuals with disabilities are included in

the components of the national preparedness system established under section 644 of the Post-Katrina Emergency Management Reform Act of 2006; and

(11) any other duties as assigned by the Director of the Federal Emergency Management Agency.

SEC. 109. NATIONAL OPERATIONS CENTER.

(a) DEFINITION.—In this section, the term ''situational awareness'' means information gathered from a variety of sources that, when communicated to emergency managers and decision makers, can form the basis for incident management decisionmaking.

(b) ESTABLISHMENT.—The National Operations Center is the principal operations center for the Federal Emergency Management Agency and shall—

(1) provide situational awareness and a common operating picture for the entire Federal Government, and for State, local, and tribal governments as appropriate, in the event of a natural disaster, act of terrorism, or other man-made disaster; and

(2) ensure that critical terrorism and disaster-related information reaches government decision-makers.

SEC. 110. TECHNICAL AND CONFORMING AMENDMENTS.

(1) IN GENERAL.—Title V of the Homeland Security Act of 2002 (6 U.S.C. 311 et seq.) is amended—

(A) in section 501, by striking all after ''In this title'' and inserting ''the term 'tribal government' means the government of any entity described under section 2(10)(B).'';

(B) by striking sections 503 through 507, 509, 510, 513, and 515;

(C) in section 508—

(i) by striking ''Administrator'' each place that term appears and inserting ''Director of Federal Emergency Management Agency''; and

(ii) in subsection (c)—

(I) in paragraph (1), by inserting ''in consultation with the Secretary,'' before ''and shall, to the extent practicable''; and

(II) in paragraph (3), by inserting '', in consultation with the Secretary,'' before ''shall designate'';

(D) in section 512(c), by striking ''Administrator'' each place that term appears and inserting ''Secretary''; and

(E) in section 514—

(i) by striking subsection (a); and

(ii) redesignating subsections (b) and (c) as subsections (a) and (b), respectively.

(2) TABLE OF CONTENTS.—The table of contents for the Homeland Security Act of 2002 (6 U.S.C. 101) is amended by striking the items relating to sections 503 through 510, 513 and 515.

SEC. 111. RULE OF CONSTRUCTION.

Nothing in this Act shall be construed to detract from the Department of Homeland Security's primary mission to secure the homeland from terrorist attacks.

TITLE II—TRANSFER AND SAVINGS PROVISIONS

SEC. 201. DEFINITIONS.

In this title, unless otherwise provided or indicated by the context—

(1) the term ''Federal agency'' has the meaning given to the term ''agency'' by section 551(1) of title 5, United States Code;

(2) the term ''function'' means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program; and

(3) the term ''office'' includes any office, administration, agency, institute, unit, organizational entity, or component thereof.

SEC. 202. TRANSFER OF FUNCTIONS.

There are transferred to the Federal Emergency Management Agency established under section 101 of this Act all functions which the Director of the Federal Emergency Management Agency of the Department of Homeland Security exercised before the date of the enactment of this title, including all the functions described under section 505 of the Homeland Security Act of 2002 (before the repeal of that section under section 104 of this Act).

SEC. 203. PERSONNEL PROVISIONS.

(a) APPOINTMENTS.—The Director of the Federal Emergency Management Agency may appoint and fix the compensation of such officers and employees, including investigators, attorneys, and administrative law judges, as may be necessary to carry out the respective functions transferred under this title. Except as otherwise provided by law, such officers and employees shall be appointed in accordance with the civil service laws and their compensation fixed in accordance with title 5, United States Code.

(b) EXPERTS AND CONSULTANTS.—The Director of the Federal Emergency Management Agency may obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code, and compensate such experts and consultants for each day (including traveltime) at rates not in excess of the rate of pay for level IV of the Executive Schedule under section 5315 of such title. The Director of the Federal Emergency Management Agency may pay experts and consultants who are serving away from their homes or regular place of business, travel expenses and per diem in lieu of subsistence at rates authorized by sections 5702 and 5703 of such title for persons in Government service employed intermittently.

SEC. 204. DELEGATION AND ASSIGNMENT.

Except where otherwise expressly prohibited by law or otherwise provided by this title, the Director of the Federal Emergency Management Agency may delegate any of the functions transferred to the Director of the Federal Emergency Management Agency by this title and any function transferred or granted to such Director after the effective date of this title to such officers and employees of the Federal Emergency Management Agency as the Director may designate, and may authorize successive redelegations of such functions as may be necessary or appropriate. No delegation of functions by the Director of the Federal Emergency Management Agency under this section or under any other provision of this title shall relieve such Director of responsibility for the administration of such functions.

SEC. 205. REORGANIZATION.

The Director of the Federal Emergency Management Agency is authorized to allocate or reallocate any function transferred under section 202 among the officers of the Federal Emergency Management Agency, and to establish, consolidate, alter, or discontinue such organizational entities in the Federal Emergency Management Agency as may be necessary or appropriate.

SEC. 206. RULES.

The Director of the Federal Emergency Management Agency is authorized to prescribe, in accordance with the provisions of chapters 5 and 6 of title 5, United States Code, such rules and regulations as the Director determines necessary or appropriate to administer and manage the functions of the Federal Emergency Management Agency.

SEC. 207. TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.

Except as otherwise provided in this title, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, used, held, arising from, available to, or to be made available in connection with the functions transferred by this title, subject to section 1531 of title 31, United States Code, shall be transferred to the Federal Emergency Management Agency. Unexpended funds transferred pursuant to this section shall be used only for the purposes for which the funds were originally authorized and appropriated.

SEC. 208. INCIDENTAL TRANSFERS.

The Director of the Office of Management and Budget, at such time or times as the Director shall provide, is authorized to make such determinations as may be necessary with regard to the functions transferred by this title, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this title. The Director of the Office of Management and Budget shall provide for the termination of the affairs of all entities terminated by this title and for such further measures and dispositions as may be necessary to effectuate the purposes of this title.

SEC. 209. EFFECT ON PERSONNEL.

(a) IN GENERAL.—Except as otherwise provided by this title, the transfer pursuant to this title of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such employee to be separated or reduced in grade or compensation for one year after the date of transfer of such employee under this title.

(b) EXECUTIVE SCHEDULE POSITIONS.—Except as otherwise provided in this title, any person who, on the day preceding the effective date of this title, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in the Federal Emergency Management Agency to a position having duties comparable to the duties performed immediately preceding such appointment shall continue to be compensated in such new position at not less than the rate provided for such previous position, for the duration of the service of such person in such new position.

SEC. 210. SAVINGS PROVISIONS.

(a) CONTINUING EFFECT OF LEGAL DOCUMENTS.—All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

(1) which have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official thereof, or by a court of competent jurisdiction, in the performance of functions which are transferred under this title, and

(2) which are in effect at the time this title takes effect, or were final before the effective date of this title and are to become effective on or after the effective date of this title,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Director of the Federal Emergency Management Agency or other authorized official, a court of competent jurisdiction, or by operation of law.

(b) PROCEEDINGS NOT AFFECTED.—The provisions of this title shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending before the Federal Emergency Management Agency at the time this title takes effect, with respect to functions transferred by this title but such proceedings and applications shall continue. Orders shall be issued

in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this title had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this title had not been enacted.

(c) SUITS NOT AFFECTED.—The provisions of this title shall not affect suits commenced before the effective date of this title, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this title had not been enacted.

(d) NONABATEMENT OF ACTIONS.—No suit, action, or other proceeding commenced by or against the Federal Emergency Management Agency, or by or against any individual in the official capacity of such individual as an officer of the Federal Emergency Management Agency, shall abate by reason of the enactment of this title.

(e) ADMINISTRATIVE ACTIONS RELATING TO PROMULGATION OF REGULATIONS.—Any administrative action relating to the preparation or promulgation of a regulation by the Federal Emergency Management Agency relating to a function transferred under this title may be continued by the Federal Emergency Management Agency with the same effect as if this title had not been enacted.

SEC. 211. SEPARABILITY.

If a provision of this title or its application to any person or circumstance is held invalid, neither the remainder of this title nor the application of the provision to other persons or circumstances shall be affected.

SEC. 212. TRANSITION.

The Director of the Federal Emergency Management Agency is authorized to utilize—

(1) the services of such officers, employees, and other personnel of the Federal Emergency Management Agency with respect to functions transferred by this title; and

(2) funds appropriated to such functions for such period of time as may reasonably be needed to facilitate the orderly implementation of this title.

SEC. 213. REFERENCES.

Any reference in any other Federal law, Executive order, rule, regulation, or delegation of authority, or any document of or pertaining to a department, agency, or office from which a function is transferred by this title—

(1) to the head of such department, agency, or office is deemed to refer to the head of the department, agency, or office to which such function is transferred; or

(2) to such department, agency, or office is deemed to refer to the department, agency, or office to which such function is transferred.

SEC. 214. ADDITIONAL CONFORMING AMENDMENTS.

(a) RECOMMENDED LEGISLATION.—After consultation with the appropriate committees of the Congress and the Director of the Office of Management and Budget, the Director of the Federal Emergency Management Agency shall prepare and submit to Congress recommended legislation containing technical and conforming amendments to reflect the changes made by this Act.

(b) SUBMISSION TO CONGRESS.—Not later than 6 months after the effective date of this title, the Director of the Federal Emergency Management Agency shall submit the recommended legislation referred to under subsection (a).

By Mr. HATCH (for himself and Mr. CONRAD):

S. 1428. A bill to amend part B of title XVIII of the Social Security Act to assure access to durable medical equipment under the Medicare program; to the Committee on Finance.

Mr. HATCH. Mr. President, I am pleased to join Senators CONRAD and ROBERTS in introducing the Medicare Durable Medical Equipment Access Act of 2007.

Some background on why this bill is necessary might be useful.

Among the provisions of the Medicare Modernization Act, MMA, was a provision that instituted a bidding process for durable medical equipment. It was a good concept—we have all seen the advantages to Medicare beneficiaries and to the Federal Government of competitive bidding in Medicare Part D. The government and beneficiaries are paying lower prices for prescription drugs as a result of fair competition.

At the time of the passage of the MMA, it was known that Medicare was overpaying substantially for certain durable medical equipment. The MMA instituted a bidding process for durable medical equipment in order to bring market discipline to the purchasing process. It also directed the Secretary of Health and Human Services, HHS, to establish badly needed quality standards for Medicare's suppliers of durable medical equipment and related services.

The purpose of S. 1428, the Medicare Durable Equipment Access Act, is to correct problems arising from provisions in the MMA that apply to rural areas and urban areas of low population density. The bill seeks to protect the access of Medicare beneficiaries in these areas to homecare equipment and services. It also will allow small businesses to participate in the program, but only if they meet the quality standards established in this legislation and can meet the competitively bid price.

The bill protects Medicare beneficiaries in three ways.

First, the MMA permits the HHS Secretary to exempt from the bidding process rural areas and areas with low population density that are not competitive unless there is a significant national market through mail order for a particular item or service. The law also permits suppliers in rural areas to be exempted from the program's quality standards. Medicare patients must be assured that they are dealing with qualified suppliers and our bill assures them that they will be.

Second, the MMA allows the Secretary of HHS to exempt rural areas and sparsely populated urban areas from the bidding process if they lack health care infrastructure, a vague and subjective judgment. This bill defines areas eligible for exemption as metropolitan service areas with fewer than 500,000 people.

Finally, the MMA established a Program Advisory and Oversight Committee to advise the Secretary on implementation of the program. The MMA exempted the Program Advisory and Oversight Committee from The Federal Advisory Committee Act, FACA. FACA was enacted by Congress in 1972. Its purpose is to ensure that committees that advise the executive branch be accessible to the public and objective in their judgments. This bill places this program under FACA.

This legislation also provides important protection to small businesses. The MMA provides that there shall be no administrative or judicial review for businesses participating in competitive bidding. Our bill provides for judicial appeal rights, giving legal recourse to businesses that participate in the competitive bidding process.

The MMA also directs the HHS Secretary to take appropriate steps to ensure that small suppliers have an opportunity to participate. Our bill specifies that such appropriate steps shall include permitting suppliers that are classified as small businesses under the Small Business Act to continue to participate at the single payment amount, so long as they submit bids at less than the fee schedule amount.

In addition, the MMA permits the HHS Secretary to use competitive acquisition bid rates from one region to determine payment rates in another noncompetitive acquisition area. Our bill requires the HHS Secretary to complete a comparability analysis to ensure that payments in non-competitive areas are fair. It requires the Secretary to publish the analysis in the Federal Register.

Finally, the purpose of the competitive bidding process is to save the Medicare program and its beneficiaries' money from the purchase of durable medical equipment, but a new bureaucracy must be created to implement the program. Our bill requires the HHS Secretary to exempt from competitive acquisition requirements any items and services not likely to result in savings of at least 10 percent.

Twenty-five small suppliers of durable medical equipment in Utah have banded together to support this legislation and I believe they speak for hundreds of small suppliers around the United States. They support the establishment of quality standards for all suppliers of durable medical equipment to Medicare. They are willing to price their products competitively. They are used to providing personal services to their customers in small Utah towns. Their customers are also their neighbors. They all fear that their businesses, which are built on personal service, may be sacrificed to large suppliers from distant cities who cannot educate Medicare beneficiaries. A flyer in the mail may not be enough to teach a disabled diabetic how to use a walker.

I urge my colleagues to support this legislation which permits the potential savings from competitive bidding, mandates quality standards for all of Medicare's durable medical equipment suppliers, and protects small businesses and Medicare beneficiaries in rural areas and in low density urban areas.

Mr. CONRAD. Mr. President, today I am pleased to join my colleague, Senator HATCH, in reintroducing the Medicare Durable Medical Equipment, DME, Access Act. This bill will help protect rural DME providers from the negative consequences of competitive bidding and ensure that seniors have access to the highest quality of DME supplies. It will also help to rid the system of fraudulent suppliers who are filing improper and illegal claims.

As many of my colleagues know, the Medicare Modernization Act, MMA, required Medicare to replace the current DME payment methodology for certain items with a competitive acquisition process, which is currently underway. In fact, the first round of bids are due on July 13. Our bill would address several issues that could negatively impact the ability of rural suppliers to compete and ensure that seniors are getting high-quality products.

Specifically, our bill would strengthen language in the MMA that allows the Secretary to exempt rural areas by requiring the Secretary to exempt metropolitan statistical areas with fewer than 500,000 people. In addition, the legislation would require that the Centers for Medicare and Medicaid Services, CMS, include the attainment of quality standards as a factor in computing the winning bid to ensure that patients receive both high-quality and low-cost equipment. Third, the Medicare Durable Medical Equipment Access Act would allow small businesses to continue providing DME in Medicare at the acquisition bid rate, even if the businesses didn't have the winning bid. Finally, the bill would take additional steps to ensure that competitive acquisition results in savings, that providers have access to administrative and judicial review, and that any meetings of the newly created CMS Program Advisory and Oversight Committee on competitive bidding be open to the public.

Many argue that there is fraudulent activity in the Medicare DME benefit and that is why competitive bidding is necessary. I agree that it is far too easy to obtain a supplier number and start filing improper and illegal claims. That is why I applaud the efforts of CMS and others who are cracking down on the inappropriate behavior. However, it is also imperative that we ensure sufficient access to quality DME care in the program and protect those suppliers who are acting appropriately. I believe this bill achieves the appropriate balance between these two goals. I urge all of my colleagues to support this important legislation.

By Mr. OBAMA (for himself and Mr. BROWNBACK):

S. 1430. A bill to authorize State and local governments to direct divestiture from, and prevent investment in, companies with investments of $20,000,000 or more in Iran's energy sector, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Mr. OBAMA. I rise today, along with Senator BROWNBACK, to introduce the Iran Sanctions Enabling Act of 2007. Before proceeding, I want to commend Chairman FRANK for introducing similar legislation on the House side—he is a major force behind this legislation and should be recognized for his work on this issue.

This bill will enable citizens, institutional investors, and State and local governments to ensure that their money is not being used by companies that help develop Iran's oil and gas industry. This would place additional economic pressure on the Iranian regime with the goal of changing Iranian policies.

The Obama-Brownback legislation does this in three ways:

First, this legislation requires the U.S. government, every 6 months, to publish a list of companies that are investing more than $20 million in Iran's energy sector. This sunshine provision accomplishes two important objectives. It provides investors with the knowledge they need to make informed decisions about the consequences of their investments. And, since it is already illegal for U.S. companies to make such investments, it provides a powerful incentive for foreign companies to discontinue investments in Iran.

Second, this legislation authorizes State and local governments to divest the assets of their pension funds and other funds under their control from any company on the list. Several states, such as Florida and Missouri, have already taken actions to achieve these ends. But the States' authority to undertake these measures is unclear, so an explicit authorization from Congress, contained in this bill, will resolve this issue.

Third, this legislation seeks to give fund managers safe harbor and also provide investors with more choices. For fund managers who divest from companies on this list, the Obama-Brownback bill helps protect these managers from lawsuits brought by unhappy investors. The bill also expresses the sense of Congress that the government's own 401(k) fund, the Thrift Savings Plan, should create a ''terror-free'' and ''genocide-free'' investment options for government employees.

We need this bill, as Iranian actions have been well-documented. Iran's pursuit of a nuclear program, and its unwillingness to allow comprehensive international oversight, pose unacceptable risks to the United States and our allies. The international community has voiced its opposition to Iran's nuclear ambitions. For example, the U.N. Security Council passed resolutions last December, and again in March of this year, increasing sanctions on Iran for its failure to suspend uranium enrichment.

The Iranian regime has been actively sowing the seeds of instability and violence in Iraq, with deadly consequences for American soldiers. Beyond Iraq's borders, Iranian leaders are exporting militancy, sectarianism, and rejectionism throughout the Middle East. Fueled by the billions of dollars it earns from oil and gas exports, Iran has been pumping money into radical Islamist terror groups like Hezbollah and Hamas. Every bit as worrying is the rhetoric of President Mahmoud Ahmadinejad publicly calling to ''wipe Israel off the map.''

It is quite a list. But in the midst of all of this, there are signs that some Iranians understand the impact their regime's behavior is having on Iran's national interests. Conservatives in Iran look where the radicals are trying to take the country—more confrontation and more radicalism, and they are worried.

We should send a message that, if Iran wishes to benefit from the international system, it must play by international rules. If it chooses to flout those rules, then the world will turn its back on Iran. Pressuring companies to cut their financial ties with Iran is an important piece of that process, and we should allow pension funds to do so.

For all of its bluster, Iran is not a strong country. Its oil infrastructure is weak and badly in need of investment. The economy lurches under the weight of quasi-state run industries, and billions of dollars in Iranian cash sit offshore because Iranians have so little faith in their government's management of the economy. This is precisely why we need legislation along the lines of what I am introducing here today.

In general, we need to think carefully about allowing divestment, which is a tool that can be misused. However, I believe that Iran is a special case. And, in this case, divestment legislation can dissuade foreign companies from investing in energy operations whose profits will be used to threaten us. It is not a magic bullet—there is none in this situation—but is one of a menu of actions, each of which can help us to deter Iranian aggression.

We are currently involved in one ruinous war, and we need to avoid indiscriminate saber-rattling which could involve us in another. This administration's failure in Iraq has emboldened and empowered Iran, and the forces allied with it, including Hamas and Hezbollah. And while we should take no option, including military action, off the table, sustained and aggressive diplomacy combined with tough sanctions should be our primary means to deal with Iran. It is incumbent upon us to find and implement ways to pressure Iran short of war, ways that demonstrate our deep concern about Iran's behavior, and ways that will help us to exert leadership on this issue. This bill is one of those ways.

I have called for direct engagement with Iran over its efforts to acquire nuclear weapons. But, direct dialogue, as we conducted with the Soviet Union during the Cold War, should be part of a comprehensive diplomatic strategy to head off this unacceptable threat. So should the legislation Senator BROWNBACK and I are introducing today.

I hope my colleagues will cosponsor the Obama-Brownback legislation. On the House side, I hope my colleagues in that Chamber sign on to the Frank bill. I look forward to working with others to get this bill signed into law.

In closing, I want to thank Daniel McGlinchey and James Segel of Chairman FRANK's staff for their work on this bill. They were extraordinarily helpful in putting together this legislation, and I would be remiss I did not recognize their efforts.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 206—TO PROVIDE FOR A BUDGET POINT OF ORDER AGAINST LEGISLATION THAT INCREASES INCOME TAXES ON TAXPAYERS, INCLUDING HARDWORKING MIDDLE-INCOME FAMILIES, ENTREPRENEURS, AND COLLEGE STUDENTS

Mr. CORNYN (for himself and Mr. ALLARD) submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 206

Resolved, That

SECTION 1. POINT OF ORDER AGAINST LEGISLATION THAT RAISES INCOME TAX RATES.

(a) IN GENERAL.—It shall not be in order in the Senate to consider any bill, resolution, amendment, amendment between Houses, motion, or conference report that includes a Federal income tax rate increase. In this subsection, the term ''Federal income tax rate increase'' means any amendment to subsection (a), (b), (c), (d), or (e) of section 1, or to section 11(b) or 55(b), of the Internal Revenue Code of 1986, that imposes a new percentage as a rate of tax and thereby increases the amount of tax imposed by any such section.

(b) SUPERMAJORITY WAIVER AND APPEAL.—

(1) WAIVER.—This section may be waived or suspended in the Senate only by an affirmative vote of three-fifths of the Members, duly chosen and sworn.

(2) APPEAL.—An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

SENATE RESOLUTION 207—CALLING ON THE PRESIDENT OF THE UNITED STATES IMMEDIATELY TO RECOMMEND NEW CANDIDATES FOR THE POSITIONS OF THE ATTORNEY GENERAL OF THE UNITED STATES AND THE PRESIDENT OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (COMMONLY KNOWN AS THE ''WORLD BANK'') IN ORDER TO PRESERVE THE INTEGRITY AND THE EFFICACY OF THE DEPARTMENT OF JUSTICE AND THE WORLD BANK

Mr. DODD submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 207

Whereas the Department of Justice is responsible for upholding and enforcing the law throughout the United States of America;

Whereas the Attorney General, as the Nation's chief law enforcement official, must place the rule of law above partisan political gain;

Whereas Attorney General Alberto Gonzales has consistently provided misleading and incomplete testimony to Congress regarding his role in the inappropriate and politically motivated firings of at least 8 United States Attorneys, as well as refusing to acknowledge widespread concern within the Department of Justice on the legality of its domestic surveillance program;

Whereas, according to the testimony of former Deputy Attorney General James Comey, Attorney General Alberto Gonzales, while White House Counsel, attempted to pressure then-Attorney General John Ashcroft to authorize a domestic surveillance program that the Department of Justice itself had determined had ''no legal basis'', while he was in the intensive care unit of George Washington University Hospital and had relinquished the powers of the Attorney General;

Whereas the current controversies surrounding the Attorney General have undermined the effectiveness and integrity of the Department of Justice and have contributed to a reduction in morale among employees who have important work to accomplish;

Whereas the International Bank for Reconstruction and Development, in this resolution referred to as the ''World Bank'', plays a vital role in global efforts to reduce poverty, aid development, and promote good governance in all nations in which it operates;

Whereas anti-corruption efforts have been a key element of the World Bank strategy under both the current and previous Bank Presidents;

Whereas Paul D. Wolfowitz, President of the World Bank, arranged for a pay and promotion package for Shaha Ali Riza, a bank employee with whom he had a personal relationship, upon becoming President in 2005;

Whereas, on May 14, 2007, an Ethics Committee of the World Bank investigating this incident reported to the World Bank's Board of Directors that ''Mr. Wolfowitz's contract requiring that he adhere to the Code of Conduct for board officials and that he avoid any conflict of interest, real or apparent, were violated'' in arranging for a pay raise and promotion for Shaha Ali Riza, thus contravening World Bank ethical and governance rules;

Whereas, on April 26, 2007, more than 40 members of the Bank's anti-corruption unit issued a statement declaring that due to corruption allegations against Mr. Wolfowitz, ''The credibility of our front-line staff is eroding in the face of legitimate questions from our clients about the bank's ability to practice what it preaches on governance'';

Whereas several of the World Bank's largest donors, including European nations who supply a major portion of the World Bank's operating revenue, have warned that they might withhold funds for the World Bank so long as Mr. Wolfowitz remains in office; and

Whereas the actions of Attorney General Gonzales and Mr. Wolfowitz have created a crisis of confidence and credibility within two vital institutions with serious national and international consequences and merit decisive action by the President of the United States: Now, therefore, be it

Resolved, That the Senate calls on the President of the United States immediately to recommend new candidates for the positions of the Attorney General of the United States and the President of the World Bank in order to preserve the integrity and the efficacy of the Department of Justice and the World Bank.

Mr. DODD. Mr. President, I send a resolution to the desk, which next week I will ask my colleagues to consider. I do so with some reluctance, but we have reached a point where the concerns revolving around the Attorney General's Office as well as the head of the World Bank have come to a point where I think this body ought to express itself, given the concerns that are mounting about these individuals' ability to perform their functions.

Washington, DC, has always been home to controversies. We know that. But the ones currently swirling around the Department of Justice and the World Bank are simply unacceptable and I think must come to an end. The President, in my view, must assume the responsibility here.

We are focused on calling for resignations, but the Commander in Chief, the President, is where the buck stops. He bears the responsibility to replace these individuals if they have reached a point where they no longer have the ability to run these institutions, instilling the kind of confidence and global support the American public would expect.

I do not say this with any sense of glee at all, but I think we have arrived at a moment where a change of leadership in these two offices is essential.

Let me begin with Mr. Gonzales, if I may, whose saga continues to unfold, with each revelation more disturbing than the last.

The Attorney General is the chief law enforcement officer of the country. He must be above politics, and put administration of justice above partisan gain. Clearly, that is not the case here. It is now abundantly clear the Attorney General has placed his friendship and allegiance to the President above the sworn duty to defend and protect the Constitution. These are not allegations I have made alone; others have also made these points.

We heard Tuesday in the Senate Judiciary Committee hearing the shocking testimony of the former Deputy Attorney General of the United States

about Mr. Gonzales' role while White House Counsel, attempting to pressure then-Attorney General John Ashcroft to authorize domestic surveillance despite the fact that the Justice Department, under John Ashcroft, determined that would be illegal. He went to Attorney General Ashcroft's bedside when he was in critical condition to try to secure his signature to allow those practices to go forward. This is not healthy. It is hurting our country, hurting the morale of the Justice Department, and it is time for the President to step forward and appoint a new Attorney General.

Let me, if I quickly can, turn to the President of the World Bank, Mr. Wolfowitz. The World Bank, as we all know, plays a vital role in global efforts to reduce poverty, aid development, and promote good governance in all nations in which it operates. Mr. Wolfowitz in particular made fighting corruption his signature issue at the bank; yet we know of the allegations here. I don't need to go into detail about them. My colleagues know what they are; they have been widely reported. A World Bank ethics committee investigating this incident reported to the World Bank's Board of Directors:

Mr. Wolfowitz's contract requiring that he adhere to the Code of Conduct for board officials and that he avoid any conflict of interest, real or apparent, was violated.

That is their conclusion. In short, I believe Mr. Wolfowitz broke the World Bank's ethical and governance rules, and instead of combating corruption abroad, as he pledged to do, his actions brought it to the heart of the World Bank.

I point out that 40 members of the Bank's anti-corruption unit issued a statement saying this:

The credibility of our front-line staff is eroding in the face of legitimate questions from our clients about the bank's ability to practice what it preaches on governance.

These are not my words; again, these are the words of the World Bank staff. Their work is being compromised by the actions of their President.

Moreover, several of the World Bank's largest donors, including European nations who supply a major portion of the World Bank's operating revenue, have warned they might withhold these funds for the World Bank so long as Mr. Wolfowitz remains in office.

I don't take any pleasure in suggesting this. But when the Justice Department and the World Bank are under assault because of the actions of their two leaders, it is time for the American President, who has the authority to replace these individuals, to do so. I know there is reluctance on the part of my colleagues to involve themselves in some of these matters, but when institutions as important as the Justice Department and the World Bank are suffering from loss of credibility, I think it is incumbent on this body to express itself.

At an appropriate time next week I will ask for this resolution to be considered by this body. I know we have the important matter of immigration to consider, but this matter is also important.

Of course, should the President move forward and call for the resignations and replace these individuals, then this resolution would be moot. In the meantime, I intend to press forward with this idea. I urge my colleagues in both parties to support this resolution, regardless of their feelings about these individuals or their personal relationships with them—we bear a responsibility that goes beyond personalities here.

The Justice Department deserves better. The World Bank deserves better. I hope my colleagues will join in a bipartisan way to express the sense of the Senate that the President ought to replace these individuals and restore the confidence and the good feelings we all ought to have about both of these institutions.

SENATE RESOLUTION 208—ENCOURAGING THE ELIMINATION OF HARMFUL FISHING SUBSIDIES THAT CONTRIBUTE TO OVERCAPACITY IN THE WORLD'S COMMERCIAL FISHING FLEET AND LEAD TO THE OVERFISHING OF GLOBAL FISH STOCKS

Mr. STEVENS (for himself, Mr. INOUYE, Mr. COCHRAN, Ms. CANTWELL, Ms. SNOWE, Mr. LOTT, Mrs. MURRAY, Ms. MURKOWSKI, Mrs. BOXER, Mr. SUNUNU, Ms. LANDRIEU, Ms. COLLINS, Mr. KERRY, Mr. LAUTENBERG, and Mr. VITTER) submitted the following resolution; which was considered and agreed to:

S. RES. 208

Whereas 2.6 billion people in the world get at least 20 percent of their total dietary animal protein intake from fish;

Whereas the Food and Agriculture Organization of the United Nations has found that 25 percent of the world's fish population are currently overexploited, depleted, or recovering from overexploitation;

Whereas scientists have estimated that populations of many large predator fish such as tuna, marlin, and swordfish have been overfished by foreign industrial fishing fleets;

Whereas the global fishing fleet capacity is estimated to be considerably greater than is needed to catch what the ocean can sustainably produce;

Whereas the United States Congress recognized the threat of overfishing to our oceans and economy and therefore included the requirement to end overfishing in United States commercial fisheries by 2011 in the Magnuson-Stevens Fishery Conservation and Management Reauthorization Act of 2006 (Public Law 109–479);

Whereas the United States Commission on Ocean Policy and the Pew Oceans Commission identified overcapitalization of the global commercial fishing fleets as a major contributor to the decline of economically important fish populations;

Whereas harmful foreign fishing subsidies encourage overcapitalization and overfishing, support destructive fishing practices that would not otherwise be economically viable, and amount to $10 to $15 billion annually, an amount equivalent to 20 to 25 percent of the global commercial trade in fish;

Whereas such subsidies have also been documented to support illegal, unregulated, and unreported fishing, which impacts commercial fisheries in the United States and around the world both economically and ecologically;

Whereas harmful fishing subsidies are concentrated in relatively few countries, putting other fishing countries, including the United States, at an economic disadvantage;

Whereas the United States is a world leader in advancing policies to eliminate harmful fishing subsidies that support overcapacity and promote overfishing; and

Whereas members of the World Trade Organization, as part of the Doha Development Agenda (Doha Development Round), are engaged in historic negotiations to end harmful fishing subsidies that contribute to overcapacity and overfishing: Now, therefore, be it

Resolved by the Senate, That the United States should continue to promote the elimination of harmful foreign fishing subsidies that promote overcapitalization, overfishing, and illegal, unregulated, and unreported fishing.

SENATE RESOLUTION 209—EXPRESSING SUPPORT FOR THE NEW POWER-SHARING GOVERNMENT IN NORTHERN IRELAND

Mr. KENNEDY (for himself, Mr. DODD, Mr. BIDEN, Ms. COLLINS, Mr. KERRY, Mrs. CLINTON, Mr. LEAHY, Mr. MCCAIN, Mr. SCHUMER, Mr. SMITH, and Mr. OBAMA) submitted the following resolution; which was considered and agreed to:

S. RES. 209

Whereas, on May 8, 2007, the Reverend Ian Paisley and Martin McGuinness became Northern Ireland's first minister and deputy first minister, marking the beginning of a new era of power-sharing;

Whereas Reverend Paisley, the Democratic Unionist leader, and Mr. McGuinness, the Sinn Féin negotiator, have put aside decades of conflict and moved towards historic reconciliation and unity in Northern Ireland;

Whereas, on May 8, 2007, Reverend Paisley declared, ''I believe that Northern Ireland has come to a time of peace, a time when hate will no longer rule.'';

Whereas Mr. McGuinness declared this new government to be ''a fundamental change of approach, with parties moving forward together to build a better future for the people that we represent'';

Whereas British Prime Minister Tony Blair declared that ''today marks not just the completion of the transition from conflict to peace, but also gives the most visible expression to the fundamental principle on which the peace process has been based. The acceptance that the future of Northern Ireland can only be governed successfully by both communities working together, equal before the law, equal in the mutual respect shown by all and equally committed both to sharing power and to securing peace. That is the only basis upon which true democracy can function and by which normal politics can at last after decades of violence and suffering come to this beautiful but troubled land.'';

Whereas the Taoiseach of Ireland, Bertie Ahern, declared that ''on this day, we mark the historic beginning of a new era for Northern Ireland. An era founded on peace and partnership. An era of new politics and new realities.''; and

Whereas President George W. Bush, like his predecessor President William J. Clinton, has worked tirelessly to bring the parties in Northern Ireland together in support of fulfilling the promises of the Good Friday Accords.

Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the United States stands strongly in support of the new power-sharing government in Northern Ireland;

(2) political leaders of Northern Ireland, Prime Minister Tony Blair, and Taoiseach Bertie Ahern should be commended for acting in the best interest of the people of Northern Ireland by forming the new power-sharing government;

(3) May 8, 2007, will be remembered as an historic day and an important milestone in cementing peace and unity for Northern Ireland and a shining example for nations around the world plagued by internal conflict and violence; and

(4) the United States stands ready to support this new government and to work with the people of Northern Ireland as they achieve their goal of lasting peace for those who reside in Northern Ireland.

SENATE RESOLUTION 210—HONORING THE ACCOMPLISHMENTS OF STEPHEN JOEL TRACHTENBERG AS PRESIDENT OF THE GEORGE WASHINGTON UNIVERSITY IN WASHINGTON, D.C., IN RECOGNITION OF HIS UPCOMING RETIREMENT IN JULY 2007

Mr. LIEBERMAN (for himself, Mr. ENZI, and Mr. INOUYE) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 210

Whereas Stephen Joel Trachtenberg has served since 1988 as the 15th president of The George Washington University;

Whereas Stephen Joel Trachtenberg served as the third president of the University of Hartford in Hartford, Connecticut, from 1977 to 1988;

Whereas Stephen Joel Trachtenberg, a native of Brooklyn, New York, was an accomplished author, scholar, and educator, and has earned the respect and admiration of his colleagues, peers, and students;

Whereas Stephen Joel Trachtenberg earned a bachelor of arts degree from Columbia University in 1959, a juris doctor degree from Yale University in 1962, and a master of public administration degree from Harvard University in 1966;

Whereas Stephen Joel Trachtenberg was selected as a Winston Churchill Traveling Fellow for study in Oxford, England, in 1968;

Whereas Stephen Joel Trachtenberg was celebrated by the Connecticut Region of Hadassah with the Myrtle Wreath Award in 1982, was presented with The Mt. Scopus Award from Hebrew University in Jerusalem in 1984, and received the Human Relations Award from the National Conference of Christians and Jews in 1987;

Whereas Stephen Joel Trachtenberg was honored with the Distinguished Public Service Award from the Connecticut Bar Association in 1988, and was recognized by the Hartford branch of the National Association for the Advancement of Colored People for his contributions to the education of minority students;

Whereas Stephen Joel Trachtenberg received the International Salute Award in honor of Martin Luther King, Jr. in 1992, and the Hannah G. Solomon Award from the National Council of Jewish Women;

Whereas Stephen Joel Trachtenberg was awarded the John Jay Award for Outstanding Professional Achievement in 1995 by Columbia University, the Newcomen Society Award, and the Spirit of Democracy Award from the American Jewish Congress;

Whereas Stephen Joel Trachtenberg received an honorary doctor of medicine degree from the Odessa State Medical University in Ukraine in 1996, the Distinguished Service Award from the American Association of University Administrators, and the B'nai B'rith Humanitarian Award;

Whereas Stephen Joel Trachtenberg received the Department of State Secretary's Open Forum Distinguished Public Service Award in 1997, and the Grand Cross, the highest honor of the Scottish Rite of Freemasonry;

Whereas ''Stephen Joel Trachtenberg Day'' was declared by resolution of the Council of the District of Columbia on January 22, 1998, in honor of his commitments to minority students, scholarship programs, public school partnerships, and community service;

Whereas Stephen Joel Trachtenberg was honored by Boston University in 1999, where he previously served as a vice president and as an academic dean, with an honorary doctor of humane letters degree;

Whereas Stephen Joel Trachtenberg received the Tree of Life Award from the Jewish National Fund;

Whereas Stephen Joel Trachtenberg was named a Washingtonian of the Year 2000 by Washingtonian Magazine, was decorated as a Grand Officier Du Wissam Al Alaoui by King Mohammed VI of Morocco in 2000, and was awarded the Order of St. John of Jerusalem, Knight Grand Cross for Distinguished Service to Freemasonry and Humanity;

Whereas Stephen Joel Trachtenberg received honorary doctor of laws degrees from Southern Connecticut State University, the University of New Haven, Mount Vernon College, and Richmond College in London;

Whereas Stephen Joel Trachtenberg was named a Fellow of the American Academy of Arts and Sciences, and was awarded the Department of the Treasury's Medal of Merit;

Whereas Stephen Joel Trachtenberg received the Humanitarian Award from the Albert B. Sabin Institute, and the District of Columbia Business Leader of the Year Award from the District of Columbia Chamber of Commerce;

Whereas Stephen Joel Trachtenberg performed public service as an attorney with the Atomic Energy Commission, as an aide to former Indiana Representative John Brademas, and as a special assistant at the Department of Health, Education, and Welfare;

Whereas Stephen Joel Trachtenberg authored ''Reflections on Higher Education'', published in 2002, ''Thinking Out Loud'', published in 1998, and ''Speaking His Mind'', published in 1994;

Whereas Stephen Joel Trachtenberg serves on the boards of the Chief of Naval Operations Executive Panel and the International Association of University Presidents, and as a member of the Council on Foreign Relations;

Whereas Stephen Joel Trachtenberg, as president of The George Washington University, opened new buildings for the School of Business and the Elliott School of International Affairs and a new hospital, and added the Mount Vernon Campus, formerly the Mount Vernon College for Women, to the university;

Whereas Stephen Joel Trachtenberg, as president of The George Washington University, created 5 new schools, the School of Public Health and Health Services, the School of Public Policy and Public Administration, the College of Professional Studies, the Graduate School of Political Management, and the School of Media and Public Affairs;

Whereas Stephen Joel Trachtenberg, as president of The George Washington University, ''reinvented'' the university's position and positive reputation as Washington, D.C.'s center of scholarship;

Whereas Stephen Joel Trachtenberg will continue, after retiring as the third-longest-serving president of The George Washington University, as University Professor of Public Service and President Emeritus; and

Whereas Stephen Joel Trachtenberg and his wife, Francine Zorn Trachtenberg, have 2 sons, Adam and Ben: Now, therefore, be it

Resolved, That the Senate—

(1) honors and salutes the accomplishments of Stephen Joel Trachtenberg and recognizes his deeds throughout his 19 years of service as president of The George Washington University in Washington, D.C.;

(2) recognizes the accomplishments and achievements of Stephen Joel Trachtenberg in higher education, as an author, as an attorney, and as a public official; and

(3) based upon his service, extends its appreciation to Stephen Joel Trachtenberg in recognition of his retirement as president of The George Washington University.

Mr. LIEBERMAN. Mr. President, I rise today to introduce a resolution, along with my colleague Senators ENZI and INOUYE, to honor the accomplishments of Stephen Joel Trachtenberg. This resolution honors a remarkable man. President Trachtenberg is about to retire in July 2007 as the third-longest serving President of George Washington University, one of this country's premier educational organizations; an institution that contributes deeply, year after year, to our understanding of the world around us.

I have known Steve Trachtenberg for a long time, since his service in Connecticut as the third President of the University of Hartford from 1977 to 1988. He is a proud native of Brooklyn, N.Y., and as an accomplished author, scholar, and educator, he has earned the respect and admiration of his colleagues, peers and students. I know he is also proud of his wife, Francine Zorn Trachtenberg, and his two sons, Adam and Ben.

President Trachtenberg earned his bachelor's degree from Columbia University in 1959, and showed his skill at making sound decisions by going to Yale to get his law degree in 1962. A Master of Public Administration degree followed later from Harvard.

Prior to his illustrious career in academia, he served in government as a special assistant to the U.S. Education Commissioner at the Department of Health, Education and Welfare, as an attorney with the U.S. Atomic Energy Commission, and on the Hill as a legislative aide to former Indiana Congressman John Brademas.

President Trachtenberg's has won numerous well-deserved awards and

honorary degrees. I will only site a few examples here. In 1982 he was celebrated by the Connecticut Region of Hadassah with the Myrtle Wreath Award. In 1984 he was presented with The Mt. Scopus Award from Hebrew University in Jerusalem, and in 1987 received the Human Relations Award from the National Conference of Christians and Jews.

In 1988 he was honored with the Distinguished Public Service Award from the Connecticut Bar Association, and was proudly recognized by the Hartford NAACP for his contributions to the education of minority students. In 1992 he received the International Salute Award in honor of Martin Luther King, Jr.

He was even named ''Washingtonian of the Year 2000'' by Washingtonian Magazine, was decorated in 2000 with a medal by King Mohammed VI of Morocco, and was awarded the Order of St. John of Jerusalem, Knight Grand Cross for Distinguished Service to Freemasonry and Humanity.

For all he has done, ''Stephen Joel Trachtenberg Day'' was declared by resolution of the Council of the District of Columbia, on January 22, 1998, in honor of his commitments to minority students, scholarship programs, public school partnerships and community service. Not to be outdone, ''Stephen Joel Trachtenberg Day in San Francisco!'' was declared by Proclamation of the City and County of San Francisco, on February 2, 1999.

He is also a respected author writing Reflections on Higher Education in 2002, Thinking Out Loud in 1998, and Speaking His Mind in 1994.

As President of George Washington University he opened new buildings for the School of Business and the Elliott School of International Affairs, a new hospital, and added the Mount Vernon Campus, formerly the Mount Vernon College for Women. He also created five new schools: Public Health and Health Services, Public Policy and Public Administration, College of Professional Studies, Graduate School of Political Management, and Media and Public Affairs. Importantly he ''reinvented'' the University's position and positive reputation as Washington, D.C.'s center of scholarship.

After all of these accomplishments he is retiring as President of the George Washington University, but will continue as President Emeritus and as a University Professor of Public Service.

In this resolution, the Senate:

1. honors and salutes the accomplishments of Stephen Joel Trachtenberg and recognizes his deeds throughout his 19 years of service as President of The George Washington University in Washington, D.C.;

2. recognizes his accomplishments and achievements in higher education, as an author, as an attorney and as a public official; and

3. based upon his service extends its appreciation to him in recognition of his retirement as President of The George Washington University in Washington, D.C.

Mr. President, I urge the Senate to act quickly on this resolution to honor the efforts of President Trachtenberg on behalf of so many who have benefited from his extraordinary service.

NOTICE OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BINGAMAN. Mr. President, I would like to announce for the information of the Senate and the public that an oversight hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will be held on Thursday, May 24, 2007, at 9:30 a.m. in room SD–366 of the Dirksen Senate Office Building.

The hearing will address opportunities and challenges associated with coal gasification, including coal-to-liquids and industrial gasification.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, United States Senate, Washington, DC 20510–6150, or by e-mail to rachel_pasternack@energy.senate.gov.

For further information, please contact Michael Carr or Rachel Pasternack.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. CONRAD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, May 17, 2007, at 10:15 a.m., in open session, to receive testimony on United States European Command in review of the Defense authorization request for fiscal year 2008 and the future years Defense Program.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. CONRAD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, May 17, 2007, at 3 p.m., in executive session, to consider a pending military nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. CONRAD. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Thursday, May 17, 2007, at 9:30 a.m. in Room 485 of the Russell Senate Office Building to conduct an oversight hearing on law enforcement in Indian Country.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. CONRAD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a markup on Thursday, May 17, 2007, at 10 a.m. in Dirksen Room 226.

Agenda

I. Committee Authorization

Authorization of Subpoenas in Connection with Investigation into Replacement of U.S. Attorneys.

II. Bills

S. 221, Fair Contracts for Growers Act of 2007 (Grassley, Feingold, Kohl, Leahy, Durbin).

S. 376, Law Enforcement Officers Safety Act of 2007 (Leahy, Specter, Grassley, Kyl, Sessions, Cornyn).

S. 1079, Star-Spangled Banner and War of 1812 Bicentennial Commission Act (Cardin, Warner, Kennedy).

S. 1327, A bill to create and extend certain temporary district court judgeships (Leahy, Brownback, Feinstein).

S. 1027, Prevent All Cigarette Trafficking Act of 2007 (Kohl, Kyl, Leahy, Schumer, Specter).

III. Resolutions

S. Res. 138, Honoring the accomplishments and legacy of Cesar Estrada Chavez (Salazar, Durbin).

S. Res. 132, Recognizing the Civil Air Patrol (Stevens, Inouye).

S. Res. 130, Resolution designating a National Day of the American Cowboy (Craig, Cornyn, Hatch).

THE PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. CONRAD. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on May 17, 2007, at 2:30 p.m. to hold a closed mark-up.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT, THE FEDERAL WORKFORCE, AND THE DISTRICT OF COLUMBIA

Mr. CONRAD. Mr. President, I ask unanimous consent that the Committee on Homeland Security and Governmental Affairs' Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia be authorized to meet on Thursday, May 17, 2007, at 9:30 a.m. for a hearing entitled, Evaluating the Progress and Identifying Obstacles in Improving the Federal Government's Security Clearance Program.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SECURITIES, INSURANCE, AND INVESTMENT

Mr. CONRAD. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs Subcommittee on Securities, Insurance, and Investment be authorized to meet during the session of the Senate on May 17, 2007, at 2:30 p.m., to conduct a hearing on ''Consolidation of NASD and the Regulatory Functions of the NYSE: Working Towards Improved Regulation.''

The PRESIDING OFFICER. Without objection, it is so ordered.

WATER RESOURCES DEVELOPMENT ACT OF 2007

On Wednesday, May 16, 2007, the Senate passed H.R. 1495, as amended, as follows:

H.R. 1495

Resolved, That the bill from the House of Representatives (H.R. 1495) entitled ''An Act to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes.'', do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Water Resources Development Act of 2007''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

SEC. 2. DEFINITION OF SECRETARY.

In this Act, the term ''Secretary'' means the Secretary of the Army.

TITLE I—WATER RESOURCES PROJECTS

SEC. 1001. PROJECT AUTHORIZATIONS.

Except as otherwise provided in this section, the following projects for water resources development and conservation and other purposes are authorized to be carried out by the Secretary substantially in accordance with the plans, and subject to the conditions, described in the respective reports designated in this section:

(1) HAINES HARBOR, ALASKA.—The project for navigation, Haines Harbor, Alaska: Report of the Chief of Engineers dated December 20, 2004, at a total cost of $14,040,000, with an estimated Federal cost of $11,232,000 and an estimated non-Federal cost of $2,808,000.

(2) TANQUE VERDE CREEK, ARIZONA.—The project for ecosystem restoration, Tanque Verde Creek, Arizona: Report of the Chief of Engineers dated July 22, 2003, at a total cost of $5,906,000, with an estimated Federal cost of $3,836,000 and an estimated non-Federal cost of $2,070,000.

(3) SALT RIVER (VA SHLYAY AKIMEL), MARICOPA COUNTY, ARIZONA.—

(A) IN GENERAL.—The project for ecosystem restoration, Salt River (Va Shlyay Akimel), Arizona: Report of the Chief of Engineers dated January 3, 2005, at a total cost of $162,100,000, with an estimated Federal cost of $105,200,000 and an estimated non-Federal cost of $56,900,000.

(B) COORDINATION WITH FEDERAL RECLAMATION PROJECTS.—The Secretary, to the maximum extent practicable, shall coordinate the development and construction of the project described in subparagraph (A) with each Federal reclamation project located in the Salt River Basin to address statutory requirements and the operations of those projects.

(4) MAY BRANCH, FORT SMITH, ARKANSAS.—The project for flood damage reduction, May Branch, Fort Smith, Arkansas: Report of the Chief of Engineers dated December 19, 2006, at a total cost of $30,850,000, with an estimated Federal cost of $15,010,000 and an estimated non-Federal cost of $15,840,000.

(5) HAMILTON CITY, CALIFORNIA.—The project for flood damage reduction and ecosystem restoration, Hamilton City, California: Report of the Chief of Engineers dated December 22, 2004, at a total cost of $52,400,000, with an estimated Federal cost of $34,100,000 and estimated non-Federal cost of $18,300,000.

(6) IMPERIAL BEACH, CALIFORNIA.—The project for storm damage reduction, Imperial Beach, California: Report of the Chief of Engineers dated December 30, 2003, at a total cost of $13,700,000, with an estimated Federal cost of $8,521,000 and an estimated non-Federal cost of $5,179,000, and at an estimated total cost of $42,500,000 for periodic beach nourishment over the 50-year life of the project, with an estimated Federal cost of $21,250,000 and an estimated non-Federal cost of $21,250,000.

(7) MATILIJA DAM, VENTURA COUNTY, CALIFORNIA.—The project for ecosystem restoration, Matilija Dam and Ventura River Watershed, Ventura County, California: Report of the Chief of Engineers dated December 20, 2004, at a total cost of $144,500,000, with an estimated Federal cost of $89,700,000 and an estimated non-Federal cost of $54,800,000.

(8) MIDDLE CREEK, LAKE COUNTY, CALIFORNIA.—The project for flood damage reduction and ecosystem restoration, Middle Creek, Lake County, California: Report of the Chief of Engineers dated November 29, 2004, at a total cost of $45,200,000, with an estimated Federal cost of $29,500,000 and an estimated non-Federal cost of $15,700,000.

(9) NAPA RIVER SALT MARSH, CALIFORNIA.—

(A) IN GENERAL.—The project for ecosystem restoration, Napa River Salt Marsh, California: Report of the Chief of Engineers dated December 22, 2004, at a total cost of $134,500,000, with an estimated Federal cost of $87,500,000 and an estimated non-Federal cost of $47,000,000.

(B) ADMINISTRATION.—In carrying out the project authorized by this paragraph, the Secretary shall—

(i) construct a recycled water pipeline extending from the Sonoma Valley County Sanitation District Waste Water Treatment Plant and the Napa Sanitation District Waste Water Treatment Plant to the project; and

(ii) restore or enhance Salt Ponds 1, 1A, 2, and 3.

(10) SOUTH PLATTE RIVER, DENVER, COLORADO.—The project for ecosystem restoration, Denver County Reach, South Platte River, Denver, Colorado: Report of the Chief of Engineers dated May 16, 2003, at a total cost of $20,100,000, with an estimated Federal cost of $13,065,000 and an estimated non-Federal cost of $7,035,000.

(11) COMPREHENSIVE EVERGLADES RESTORATION PLAN, CENTRAL AND SOUTHERN FLORIDA, SITE 1.—The project for ecosystem restoration, Comprehensive Everglades restoration plan, central and southern Florida, Site 1 impoundment project, Palm Beach County, Florida: Report of the Chief of Engineers dated December 19, 2006, at a total cost of $80,840,000, with an estimated Federal cost of $40,420,000 and an estimated non-Federal cost of $40,420,000.

(12) INDIAN RIVER LAGOON, SOUTH FLORIDA.—

(A) IN GENERAL.—The Secretary may carry out the project for ecosystem restoration, water supply, flood control, and protection of water quality, Indian River Lagoon, south Florida, at a total cost of $1,365,000,000, with an estimated first Federal cost of $682,500,000 and an estimated first non-Federal cost of $682,500,000, in accordance with section 601 of the Water Resources Development Act of 2000 (114 Stat. 2680) and the recommendations of the report of the Chief of Engineers dated August 6, 2004.

(B) DEAUTHORIZATIONS.—As of the date of enactment of this Act, the following projects are not authorized:

(i) The uncompleted portions of the project authorized by section 601(b)(2)(C)(i) of the Water Resources Development Act of 2000 (114 Stat. 2682), C–44 Basin Storage Reservoir of the Comprehensive Everglades Restoration Plan, at a total cost of $147,800,000, with an estimated Federal cost of $73,900,000 and an estimated non-Federal cost of $73,900,000.

(ii) The uncompleted portions of the project authorized by section 203 of the Flood Control Act of 1968 (Public Law 90–483; 82 Stat. 740), Martin County, Florida, modifications to Central and South Florida Project, as contained in Senate Document 101, 90th Congress, 2d Session, at a total cost of $15,471,000, with an estimated Federal cost of $8,073,000 and an estimated non-Federal cost of $7,398,000.

(iii) The uncompleted portions of the project authorized by section 203 of the Flood Control Act of 1968 (Public Law 90–483; 82 Stat. 740), East Coast Backpumping, St. Lucie–Martin County, Spillway Structure S–311 of the Central and South Florida Project, as contained in House Document 369, 90th Congress, 2d Session, at a total cost of $77,118,000, with an estimated Federal cost of $55,124,000 and an estimated non-Federal cost of $21,994,000.

(13) MIAMI HARBOR, MIAMI, FLORIDA.—The project for navigation, Miami Harbor, Miami, Florida: Report of the Chief of Engineers dated April 25, 2005, at a total cost of $125,270,000, with an estimated Federal cost of $75,140,000 and an estimated non-Federal cost of $50,130,000.

(14) PICAYUNE STRAND, FLORIDA.—The project for ecosystem restoration, Picayune Strand, Florida: Report of the Chief of Engineers dated September 15, 2005, at a total cost of $375,330,000 with an estimated Federal cost of $187,665,000 and an estimated non-Federal cost of $187,665,000.

(15) EAST ST. LOUIS AND VICINITY, ILLINOIS.—The project for ecosystem restoration and recreation, East St. Louis and Vicinity, Illinois: Report of the Chief of Engineers dated December 22, 2004, at a total cost of $208,260,000, with an estimated Federal cost of $134,910,000 and an estimated non-Federal cost of $73,350,000.

(16) PEORIA RIVERFRONT, ILLINOIS.—The project for ecosystem restoration, Peoria Riverfront, Illinois: Report of the Chief of Engineers dated July 28, 2003, at a total cost of $18,220,000, with an estimated Federal cost of $11,840,000 and an estimated non-Federal cost of $6,380,000.

(17) WOOD RIVER LEVEE SYSTEM, ILLINOIS.—The project for flood damage reduction, Wood River, Illinois: Report of the Chief of Engineers dated July 18, 2006, at a total cost of $17,220,000, with an estimated Federal cost of $11,193,000 and an estimated non-Federal cost of $6,027,000.

(18) DES MOINES AND RACCOON RIVERS, DES MOINES, IOWA.—The project for flood damage reduction, Des Moines and Raccoon Rivers, Des

Moines, Iowa: Report of the Chief of Engineers dated March 28, 2006, at a total cost of $10,780,000, with an estimated Federal cost of $6,967,000 and an estimated non-Federal cost of $3,813,000.

(19) BAYOU SORREL LOCK, LOUISIANA.—The project for navigation, Bayou Sorrel Lock, Louisiana: Report of the Chief of Engineers dated January 3, 2005, at a total cost of $9,680,000. The costs of construction of the project are to be paid ½ from amounts appropriated from the general fund of the Treasury and ½ from amounts appropriated from the Inland Waterways Trust Fund.

(20) MORGANZA TO THE GULF OF MEXICO, LOUISIANA.—

(A) IN GENERAL.—The project for hurricane and storm damage reduction, Morganza to the Gulf of Mexico, Louisiana: Reports of the Chief of Engineers dated August 23, 2002, and July 22, 2003, at a total cost of $886,700,000 with an estimated Federal cost of $576,355,000 and an estimated non-Federal cost of $310,345,000.

(B) OPERATION AND MAINTENANCE.—The operation, maintenance, repair, rehabilitation, and replacement of the Houma Navigation Canal lock complex and the Gulf Intracoastal Waterway floodgate features that provide for inland waterway transportation shall be a Federal responsibility, in accordance with section 102 of the Water Resources Development Act of 1986 (33 U.S.C. 2212; Public Law 99–662).

(21) PORT OF IBERIA, LOUISIANA.—The project for navigation, Port of Iberia, Louisiana: Report of the Chief of Engineers dated December 31, 2006, at a total cost of $131,250,000, with an estimated Federal cost of $105,315,000 and an estimated non-Federal cost of $25,935,000, except that the Secretary, in consultation with Vermillion and Iberia Parishes, Louisiana, is directed to use available dredged material and rock placement on the south bank of the Gulf Intracoastal Waterway and the west bank of the Freshwater Bayou Channel to provide incidental storm surge protection.

(22) POPLAR ISLAND EXPANSION, MARYLAND.—The project for the beneficial use of dredged material at Poplar Island, Maryland, authorized by section 537 of the Water Resources Development Act of 1996 (110 Stat. 3776), and modified by section 318 of the Water Resources Development Act of 2000 (114 Stat. 2678), is further modified to authorize the Secretary to construct the expansion of the project in accordance with the Report of the Chief of Engineers dated March 31, 2006, at an additional total cost of $260,000,000, with an estimated Federal cost of $195,000,000 and an estimated non-Federal cost of $65,000,000.

(23) SMITH ISLAND, MARYLAND.—The project for ecosystem restoration, Smith Island, Maryland: Report of the Chief of Engineers dated October 29, 2001, at a total cost of $15,580,000, with an estimated Federal cost of $10,127,000 and an estimated non-Federal cost of $5,453,000.

(24) ROSEAU RIVER, ROSEAU, MINNESOTA.—The project for flood damage reduction, Roseau River, Roseau, Minnesota: Report of the Chief of Engineers dated December 19, 2006, at a total cost of $25,100,000, with an estimated Federal cost of $13,820,000 and an estimated non-Federal cost of $11,280,000.

(25) MISSISSIPPI COASTAL IMPROVEMENT PROJECT, HANCOCK, HARRISON, AND JACKSON COUNTIES, MISSISSIPPI.—The project for hurricane and storm damage reduction and ecosystem restoration, Mississippi coastal improvement project, Hancock, Harrison, and Jackson Counties, Mississippi: Report of the Chief of Engineers dated December 31, 2006, at a total cost of $107,690,000, with an estimated Federal cost of $70,000,000 and an estimated non-Federal cost of $37,690,000.

(26) ARGENTINE, EAST BOTTOMS, FAIRFAX-JERSEY CREEK, AND NORTH KANSAS LEVEES UNITS, MISSOURI RIVER AND TRIBUTARIES AT KANSAS CITIES, MISSOURI AND KANSAS.—The project for flood damage reduction, Argentine, East Bottoms, Fairfax-Jersey Creek, and North Kansas Levees units, Missouri River and tributaries at Kansas Cities, Missouri and Kansas: Report of the Chief of Engineers dated December 19, 2006, at a total cost of $65,430,000, with an estimated Federal cost of $42,530,000 and an estimated non-Federal cost of $22,900,000.

(27) SWOPE PARK INDUSTRIAL AREA, MISSOURI.—The project for flood damage reduction, Swope Park Industrial Area, Missouri: Report of the Chief of Engineers dated December 30, 2003, at a total cost of $16,980,000, with an estimated Federal cost of $11,037,000 and an estimated non-Federal cost of $5,943,000.

(28) GREAT EGG HARBOR INLET TO TOWNSENDS INLET, NEW JERSEY.—The project for hurricane and storm damage reduction, Great Egg Harbor Inlet to Townsends Inlet, New Jersey: Report of the Chief of Engineers dated October 24, 2006, at a total cost of $54,360,000, with an estimated Federal cost of $35,069,000 and an estimated non-Federal cost of $19,291,000, and at an estimated total cost of $202,500,000 for periodic nourishment over the 50-year life of the project, with an estimated Federal cost of $101,250,000 and an estimated non-Federal cost of $101,250,000.

(29) HUDSON-RARITAN ESTUARY, LIBERTY STATE PARK, NEW JERSEY.—The project for environmental restoration, Hudson Raritan Estuary, Liberty State Park, New Jersey: Report of the Chief of Engineers dated August 25, 2006, at a total cost of $34,100,000, with an estimated Federal cost of $22,200,000 and an estimated non-Federal cost of $11,900,000.

(30) MANASQUAN TO BARNEGAT INLETS, NEW JERSEY.—The project for hurricane and storm damage reduction, Manasquan to Barnegat Inlets, New Jersey: Report of the Chief of Engineers dated December 30, 2003, at a total cost of $71,900,000, with an estimated Federal cost of $46,735,000 and an estimated non-Federal cost of $25,165,000, and at an estimated total cost of $119,680,000 for periodic beach nourishment over the 50-year life of the project, with an estimated Federal cost of $59,840,000 and an estimated non-Federal cost of $59,840,000.

(31) RARITAN BAY AND SANDY HOOK BAY, UNION BEACH, NEW JERSEY.—The project for hurricane and storm damage reduction, Raritan Bay and Sandy Hook Bay, Union Beach, New Jersey: Report of the Chief of Engineers dated January 4, 2006, at a total cost of $115,000,000, with an estimated Federal cost of $74,800,000 and an estimated non-Federal cost of $40,200,000, and at an estimated total cost of $6,500,000 for periodic nourishment over the 50-year life of the project, with an estimated Federal cost of $3,250,000 and an estimated non-Federal cost of $3,250,000.

(32) SOUTH RIVER, NEW JERSEY.—The project for hurricane and storm damage reduction and ecosystem restoration, South River, New Jersey: Report of the Chief of Engineers dated July 22, 2003, at a total cost of $122,300,000, with an estimated Federal cost of $79,500,000 and an estimated non-Federal cost of $42,800,000.

(33) SOUTHWEST VALLEY, ALBUQUERQUE, NEW MEXICO.—The project for flood damage reduction, Southwest Valley, Albuquerque, New Mexico: Report of the Chief of Engineers dated November 29, 2004, at a total cost of $24,840,000, with an estimated Federal cost of $16,150,000 and an estimated non-Federal cost of $8,690,000.

(34) MONTAUK POINT, NEW YORK.—The project for hurricane and storm damage reduction, Montauk Point, New York: Report of the Chief of Engineers dated March 31, 2006, at a total cost of $14,600,000, with an estimated Federal cost of $7,300,000 and an estimated non-Federal cost of $7,300,000.

(35) HOCKING RIVER BASIN, MONDAY CREEK, OHIO.—

(A) IN GENERAL.—The project for ecosystem restoration, Hocking River Basin, Monday Creek, Ohio: Report of the Chief of Engineers dated August 24, 2006, at a total cost of $20,980,000, with an estimated Federal cost of $13,440,000 and an estimated non-Federal cost of $7,540,000.

(B) WAYNE NATIONAL FOREST.—

(i) IN GENERAL.—The Secretary, in cooperation with the Secretary of Agriculture, may construct other project features on property that is located in the Wayne National Forest, Ohio, owned by the United States and managed by the Forest Service as described in the report of the Corps of Engineers entitled ''Hocking River Basin, Ohio, Monday Creek Sub-Basin Ecosystem Restoration Project Feasibility Report and Environmental Assessment''.

(ii) COST.—Each project feature carried out on Federal land shall be designed, constructed, operated, and maintained at full Federal expense.

(iii) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subparagraph $1,270,000.

(36) BLOOMSBURG, PENNSYLVANIA.—The project for flood damage reduction, Bloomsburg, Pennsylvania: Report of the Chief of Engineers dated January 25, 2006, at a total cost of $44,500,000, with an estimated Federal cost of $28,925,000 and an estimated non-Federal cost of $15,575,000

(37) PAWLEYS ISLAND, SOUTH CAROLINA.—The project for hurricane and storm damage reduction, Pawleys Island, South Carolina: Report of the Chief of Engineers dated December 19, 2006, at a total cost of $8,980,000, with an estimated Federal cost of $5,840,000 and an estimated non-Federal cost of $3,140,000, and at an estimated total cost of $21,200,000 for periodic nourishment over the 50-year life of the project, with an estimated Federal cost of $10,600,000 and an estimated non-Federal cost of $10,600,000.

(38) CORPUS CHRISTI SHIP CHANNEL, CORPUS CHRISTI, TEXAS.—

(A) IN GENERAL.—The project for navigation and ecosystem restoration, Corpus Christi Ship Channel, Texas, Channel Improvement Project: Report of the Chief of Engineers dated June 2, 2003, at a total cost of $188,110,000, with an estimated Federal cost of $87,810,000 and an estimated non-Federal cost of $100,300,000.

(B) NAVIGATIONAL SERVITUDE.—In carrying out the project under subparagraph (A), the Secretary shall enforce navigational servitude in the Corpus Christi Ship Channel, including, at the sole expense of the owner of the facility, the removal or relocation of any facility obstructing the project.

(39) GULF INTRACOASTAL WATERWAY, BRAZOS RIVER TO PORT O'CONNOR, MATAGORDA BAY REROUTE, TEXAS.—The project for navigation, Gulf Intracoastal Waterway, Brazos River to Port O'Connor, Matagorda Bay Re-Route, Texas: Report of the Chief of Engineers dated December 24, 2002, at a total cost of $17,280,000. The costs of construction of the project are to be paid ½ from amounts appropriated from the general fund of the Treasury and ½ from amounts appropriated from the Inland Waterways Trust Fund.

(40) GULF INTRACOASTAL WATERWAY, HIGH ISLAND TO BRAZOS RIVER, TEXAS.—The project for navigation, Gulf Intracoastal Waterway, Sabine River to Corpus Christi, Texas: Report of the Chief of Engineers dated April 16, 2004, at a total cost of $14,450,000. The costs of construction of the project are to be paid ½ from amounts appropriated from the general fund of the Treasury and ½ from amounts appropriated from the Inland Waterways Trust Fund.

(41) LOWER COLORADO RIVER BASIN PHASE I, TEXAS.—The project for flood damage reduction and ecosystem restoration, Lower Colorado River Basin Phase I, Texas: Report of the Chief of Engineers dated December 31, 2006, at a total cost of $110,730,000, with an estimated Federal cost of $69,640,000 and an estimated non-Federal cost of $41,090,000.

(42) CRANEY ISLAND EASTWARD EXPANSION, VIRGINIA.—The project for navigation, Craney Island Eastward Expansion, Virginia: Report of the Chief of Engineers dated October 24, 2006, at a total cost of $712,103,000, with an estimated Federal cost of $31,229,000 and an estimated non-Federal cost of $680,874,000.

(43) DEEP CREEK, CHESAPEAKE, VIRGINIA.—The project for the Atlantic Intracoastal Waterway Bridge Replacement, Deep Creek, Chesapeake, Virginia: Report of the Chief of Engineers dated March 3, 2003, at a total cost of $37,200,000.

(44) CHEHALIS RIVER, CENTRALIA, WASHINGTON.—The project for flood damage reduction, Centralia, Washington, authorized by section 401(a) of the Water Resources Development Act of 1986 (Public Law 99–662; 100 Stat. 4126)—

(A) is modified to be carried out at a total cost of $123,770,000, with a Federal cost of $74,740,000, and a non-Federal cost of $49,030,000; and

(B) shall be carried out by the Secretary substantially in accordance with the plans, and subject to the conditions, recommended in the final report of the Chief of Engineers dated September 27, 2004.

SEC. 1002. ENHANCED NAVIGATION CAPACITY IMPROVEMENTS AND ECOSYSTEM RESTORATION PLAN FOR UPPER MISSISSIPPI RIVER AND ILLINOIS WATERWAY SYSTEM.

(a) DEFINITIONS.—In this section:

(1) PLAN.—The term ''Plan'' means the project for navigation and ecosystem improvements for the Upper Mississippi River and Illinois Waterway System: Report of the Chief of Engineers dated December 15, 2004.

(2) UPPER MISSISSIPPI RIVER AND ILLINOIS WATERWAY SYSTEM.—The term ''Upper Mississippi River and Illinois Waterway System'' means the projects for navigation and ecosystem restoration authorized by Congress for—

(A) the segment of the Mississippi River from the confluence with the Ohio River, River Mile 0.0, to Upper St. Anthony Falls Lock in Minneapolis-St. Paul, Minnesota, River Mile 854.0; and

(B) the Illinois Waterway from its confluence with the Mississippi River at Grafton, Illinois, River Mile 0.0, to T.J. O'Brien Lock in Chicago, Illinois, River Mile 327.0.

(b) AUTHORIZATION OF CONSTRUCTION OF NAVIGATION IMPROVEMENTS.—

(1) SMALL SCALE AND NONSTRUCTURAL MEASURES.—

(A) IN GENERAL.—The Secretary shall, in general conformance with the Plan—

(i) construct mooring facilities at Locks 12, 14, 18, 20, 22, 24, and LaGrange Lock;

(ii) provide switchboats at Locks 20 through 25; and

(iii) conduct development and testing of an appointment scheduling system.

(B) AUTHORIZATION OF APPROPRIATIONS.—The total cost of the projects authorized under this paragraph shall be $256,000,000. The costs of construction of the projects shall be paid ½ from amounts appropriated from the general fund of the Treasury and ½ from amounts appropriated from the Inland Waterways Trust Fund. Such sums shall remain available until expended.

(2) NEW LOCKS.—

(A) IN GENERAL.—The Secretary shall, in general conformance with the Plan, construct new 1,200-foot locks at Locks 20, 21, 22, 24, and 25 on the Upper Mississippi River and at LaGrange Lock and Peoria Lock on the Illinois Waterway.

(B) MITIGATION.—The Secretary shall conduct mitigation for the new locks and small scale and nonstructural measures authorized under paragraphs (1) and (2).

(C) CONCURRENCE.—The mitigation required under subparagraph (B) for the projects authorized under paragraphs (1) and (2), including any acquisition of lands or interests in lands, shall be undertaken or acquired concurrently with lands and interests for the projects authorized under paragraphs (1) and (2), and physical construction required for the purposes of mitigation shall be undertaken concurrently with the physical construction of such projects.

(D) AUTHORIZATION OF APPROPRIATIONS.—The total cost of the projects authorized under this paragraph shall be $1,948,000,000. The costs of construction on the projects shall be paid ½ from amounts appropriated from the general fund of the Treasury and ½ from amounts appropriated from the Inland Waterways Trust Fund. Such sums shall remain available until expended.

(c) ECOSYSTEM RESTORATION AUTHORIZATION.—

(1) OPERATION.—To ensure the environmental sustainability of the existing Upper Mississippi River and Illinois Waterway System, the Secretary shall modify, consistent with requirements to avoid adverse effects on navigation, the operation of the Upper Mississippi River and Illinois Waterway System to address the cumulative environmental impacts of operation of the system and improve the ecological integrity of the Upper Mississippi River and Illinois River.

(2) ECOSYSTEM RESTORATION PROJECTS.—

(A) IN GENERAL.—The Secretary shall carry out, consistent with requirements to avoid adverse effects on navigation, ecosystem restoration projects to attain and maintain the sustainability of the ecosystem of the Upper Mississippi River and Illinois River in accordance with the general framework outlined in the Plan.

(B) PROJECTS INCLUDED.—Ecosystem restoration projects may include, but are not limited to—

(i) island building;

(ii) construction of fish passages;

(iii) floodplain restoration;

(iv) water level management (including water drawdown);

(v) backwater restoration;

(vi) side channel restoration;

(vii) wing dam and dike restoration and modification;

(viii) island and shoreline protection;

(ix) topographical diversity;

(x) dam point control;

(xi) use of dredged material for environmental purposes;

(xii) tributary confluence restoration;

(xiii) spillway, dam, and levee modification to benefit the environment;

(xiv) land easement authority; and

(xv) land acquisition.

(C) COST SHARING.—

(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), the Federal share of the cost of carrying out an ecosystem restoration project under this paragraph shall be 65 percent.

(ii) EXCEPTION FOR CERTAIN RESTORATION PROJECTS.—In the case of a project under this subparagraph for ecosystem restoration, the Federal share of the cost of carrying out the project shall be 100 percent if the project—

(I) is located below the ordinary high water mark or in a connected backwater;

(II) modifies the operation or structures for navigation; or

(III) is located on federally owned land.

(iii) SAVINGS CLAUSE.—Nothing in this paragraph affects the applicability of section 906(e) of the Water Resources Development Act of 1986 (33 U.S.C. 2283).

(iv) NONGOVERNMENTAL ORGANIZATIONS.—Notwithstanding section 221(b) of the Flood Control Act of 1970 (42 U.S.C. 1962d–5(b)), for any project carried out under this section, a non-Federal sponsor may include a nonprofit entity, with the consent of the affected local government.

(D) LAND ACQUISITION.—The Secretary may acquire land or an interest in land for an ecosystem restoration project from a willing owner through conveyance of—

(i) fee title to the land; or

(ii) a flood plain conservation easement.

(3) ECOSYSTEM RESTORATION PRECONSTRUCTION ENGINEERING AND DESIGN.—

(A) RESTORATION DESIGN.—Before initiating the construction of any individual ecosystem restoration project, the Secretary shall—

(i) establish ecosystem restoration goals and identify specific performance measures designed to demonstrate ecosystem restoration;

(ii) establish the without-project condition or baseline for each performance indicator; and

(iii) for each separable element of the ecosystem restoration, identify specific target goals for each performance indicator.

(B) OUTCOMES.—Performance measures identified under subparagraph (A)(i) should comprise specific measurable environmental outcomes, such as changes in water quality, hydrology, or the well-being of indicator species the population and distribution of which are representative of the abundance and diversity of ecosystem-dependent aquatic and terrestrial species.

(C) RESTORATION DESIGN.—Restoration design carried out as part of ecosystem restoration shall include a monitoring plan for the performance measures identified under subparagraph (A)(i), including—

(i) a timeline to achieve the identified target goals; and

(ii) a timeline for the demonstration of project completion.

(4) SPECIFIC PROJECTS AUTHORIZATION.—

(A) IN GENERAL.—There is authorized to be appropriated to carry out this subsection $1,717,000,000, of which not more than $245,000,000 shall be available for projects described in paragraph (2)(B)(ii) and not more than $48,000,000 shall be available for projects described in paragraph (2)(B)(x). Such sums shall remain available until expended.

(B) LIMITATION ON AVAILABLE FUNDS.—Of the amounts made available under subparagraph (A), not more than $35,000,000 for each fiscal year shall be available for land acquisition under paragraph (2)(D).

(C) INDIVIDUAL PROJECT LIMIT.—Other than for projects described in clauses (ii) and (x) of paragraph (2)(B), the total cost of any single project carried out under this subsection shall not exceed $25,000,000.

(5) IMPLEMENTATION REPORTS.—

(A) IN GENERAL.—Not later than June 30, 2008, and every 5 years thereafter, the Secretary shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives an implementation report that—

(i) includes baselines, milestones, goals, and priorities for ecosystem restoration projects; and

(ii) measures the progress in meeting the goals.

(B) ADVISORY PANEL.—

(i) IN GENERAL.—The Secretary shall appoint and convene an advisory panel to provide independent guidance in the development of each implementation report under subparagraph (A).

(ii) PANEL MEMBERS.—Panel members shall include—

(I) 1 representative of each of the State resource agencies (or a designee of the Governor of the State) from each of the States of Illinois, Iowa, Minnesota, Missouri, and Wisconsin;

(II) 1 representative of the Department of Agriculture;

(III) 1 representative of the Department of Transportation;

(IV) 1 representative of the United States Geological Survey;

(V) 1 representative of the United States Fish and Wildlife Service;

(VI) 1 representative of the Environmental Protection Agency;

(VII) 1 representative of affected landowners;

(VIII) 2 representatives of conservation and environmental advocacy groups; and

(IX) 2 representatives of agriculture and industry advocacy groups.

(iii) CHAIRPERSON.—The Secretary shall serve as chairperson of the advisory panel.

(iv) NONAPPLICABILITY OF FACA.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Advisory Panel or any working group established by the Advisory Panel.

(6) RANKING SYSTEM.—

(A) IN GENERAL.—The Secretary, in consultation with the Advisory Panel, shall develop a system to rank proposed projects.

(B) PRIORITY.—The ranking system shall give greater weight to projects that restore natural river processes, including those projects listed in paragraph (2)(B).

(d) COMPARABLE PROGRESS.—

(1) IN GENERAL.—As the Secretary conducts pre-engineering, design, and construction for projects authorized under this section, the Secretary shall—

(A) select appropriate milestones; and

(B) determine, at the time of such selection, whether the projects are being carried out at comparable rates.

(2) NO COMPARABLE RATE.—If the Secretary determines under paragraph (1)(B) that projects authorized under this subsection are not moving toward completion at a comparable rate, annual funding requests for the projects will be adjusted to ensure that the projects move toward completion at a comparable rate in the future.

SEC. 1003. LOUISIANA COASTAL AREA ECOSYSTEM RESTORATION, LOUISIANA.

(a) IN GENERAL.—The Secretary may carry out a program for ecosystem restoration, Louisiana Coastal Area, Louisiana, substantially in accordance with the report of the Chief of Engineers, dated January 31, 2005.

(b) PRIORITIES.—

(1) IN GENERAL.—In carrying out the program under subsection (a), the Secretary shall give priority to—

(A) any portion of the program identified in the report described in subsection (a) as a critical restoration feature;

(B) any Mississippi River diversion project that—

(i) protects a major population area of the Pontchartrain, Pearl, Breton Sound, Barataria, or Terrebonne Basin; and

(ii) produces an environmental benefit to the coastal area of the State of Louisiana; and

(C) any barrier island, or barrier shoreline, project that—

(i) is carried out in conjunction with a Mississippi River diversion project; and

(ii) protects a major population area.

(c) MODIFICATIONS.—

(1) IN GENERAL.—In carrying out the program under subsection (a), the Secretary is authorized to make modifications as necessary to the 5 near-term critical ecosystem restoration features identified in the report referred to in subsection (a), due to the impact of Hurricanes Katrina and Rita on the project areas.

(2) INTEGRATION.—The Secretary shall ensure that the modifications under paragraph (1) are fully integrated with the analysis and design of comprehensive hurricane protection authorized by title I of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103; 119 Stat. 2247).

(3) CONSTRUCTION.—

(A) IN GENERAL.—The Secretary is authorized to construct the 5 near-term critical ecosystem restoration features, as modified under this subsection.

(B) REPORTS.—Before beginning construction of the projects, the Secretary shall submit a report documenting any modifications to the 5 near-term critical projects, including cost changes, to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives.

(4) APPLICABILITY OF OTHER PROVISIONS.—Section 902 of the Water Resources Development Act of 1986 (33 U.S.C. 2280) shall not apply to the 5 near-term critical projects authorized by this subsection.

(d) DEMONSTRATION PROGRAM.—

(1) IN GENERAL.—In carrying out the program under subsection (a), the Secretary is authorized to conduct a demonstration program within the applicable project area to evaluate new technologies and the applicability of the technologies to the program.

(2) COST LIMITATION.—The cost of an individual project under this subsection shall be not more than $25,000,000.

(e) BENEFICIAL USE OF DREDGED MATERIAL.—

(1) IN GENERAL.—In carrying out the program under subsection (a), the Secretary is authorized to use such sums as are necessary to conduct a program for the beneficial use of dredged material.

(2) CONSIDERATION.—In carrying out the program under subsection (a), the Secretary shall consider the beneficial use of sediment from the Illinois River System for wetlands restoration in wetlands-depleted watersheds.

(f) REPORTS.—

(1) IN GENERAL.—Not later than December 31, 2008, the Secretary shall submit to Congress feasibility reports—

(A) on the features included in table 3 of the report referred to in subsection (a); and

(B) that are consistent with the estimates in the table, subject to section 902 of the Water Resources Development Act of 1986 (100 Stat. 4183).

(2) PROJECTS IDENTIFIED IN REPORTS.—

(A) CONSTRUCTION.—The Secretary is authorized to construct the projects identified in the reports substantially in accordance with the plans, and subject to the conditions, recommended in a final report of the Chief of Engineers, if a favorable report of the Chief is completed by not later than December 31, 2010.

(B) REQUIREMENT.—No appropriations shall be made to construct any project under this subsection if the report under paragraph (1) has not been approved by resolutions adopted by the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives.

(g) NONGOVERNMENTAL ORGANIZATIONS.—

(1) IN GENERAL.—A nongovernmental organization shall be eligible to contribute all or a portion of the non-Federal share of the cost of a project under this section.

(2) USE OF FUNDS FROM OTHER PROGRAMS.—The non-Federal interest for a study or project conducted under this section may use, and the Secretary shall accept, funds provided by a Federal agency under any other Federal program, to satisfy, in whole or in part, the non-Federal share of the study or project, if the head of the Federal agency certifies that the funds may be used for that purpose.

(h) COMPREHENSIVE PLAN.—

(1) IN GENERAL.—The Secretary, in coordination with the Governor of the State of Louisiana, shall—

(A) develop a plan for protecting, preserving, and restoring the coastal Louisiana ecosystem;

(B) not later than 1 year after the date of enactment of this Act, and every 5 years thereafter, submit to Congress the plan, or an update of the plan; and

(C) ensure that the plan is fully integrated with the analysis and design of comprehensive hurricane protection authorized by title I of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103; 119 Stat. 2247).

(2) INCLUSIONS.—The comprehensive plan shall include a description of—

(A) the framework of a long-term program that provides for the comprehensive protection, conservation, and restoration of the wetlands, estuaries (including the Barataria-Terrebonne estuary), barrier islands, shorelines, and related land and features of the coastal Louisiana ecosystem, including protection of a critical resource, habitat, or infrastructure from the effects of a coastal storm, a hurricane, erosion, or subsidence;

(B) the means by which a new technology, or an improved technique, can be integrated into the program under subsection (a);

(C) the role of other Federal agencies and programs in carrying out the program under subsection (a); and

(D) specific, measurable ecological success criteria by which success of the comprehensive plan shall be measured.

(3) CONSIDERATION.—In developing the comprehensive plan, the Secretary shall consider the advisability of integrating into the program under subsection (a)—

(A) a related Federal or State project carried out on the date on which the plan is developed;

(B) an activity in the Louisiana Coastal Area; or

(C) any other project or activity identified in—

(i) the Mississippi River and Tributaries program;

(ii) the Louisiana Coastal Wetlands Conservation Plan;

(iii) the Louisiana Coastal Zone Management Plan;

(iv) the plan of the State of Louisiana entitled ''Coast 2050: Toward a Sustainable Coastal Louisiana''; or

(v) the Comprehensive Master Coastal Protection Plan authorized and defined by Act 8 of the First Extraordinary Session of the Louisiana State Legislature, 2005.

(i) TASK FORCE.—

(1) ESTABLISHMENT.—There is established a task force to be known as the ''Coastal Louisiana Ecosystem Protection and Restoration Task Force'' (referred to in this subsection as the ''Task Force'').

(2) MEMBERSHIP.—The Task Force shall consist of the following members (or, in the case of the head of a Federal agency, a designee at the level of Assistant Secretary or an equivalent level):

(A) The Secretary.

(B) The Secretary of the Interior.

(C) The Secretary of Commerce.

(D) The Administrator of the Environmental Protection Agency.

(E) The Secretary of Agriculture.

(F) The Secretary of Transportation.

(G) The Secretary of Energy.

(H) The Secretary of Homeland Security.

(I) 3 representatives of the State of Louisiana appointed by the Governor of that State.

(3) DUTIES.—The Task Force shall make recommendations to the Secretary regarding—

(A) policies, strategies, plans, programs, projects, and activities for addressing conservation, protection, restoration, and maintenance of the coastal Louisiana ecosystem;

(B) financial participation by each agency represented on the Task Force in conserving, protecting, restoring, and maintaining the coastal Louisiana ecosystem, including recommendations—

(i) that identify funds from current agency missions and budgets; and

(ii) for coordinating individual agency budget requests; and

(C) the comprehensive plan under subsection (h).

(4) WORKING GROUPS.—

(A) IN GENERAL.—The Task Force may establish such working groups as the Task Force determines to be necessary to assist the Task Force in carrying out this subsection.

(B) INTEGRATION TEAM.—

(i) IN GENERAL.—The Task Force shall establish, for the purposes described in clause (ii), an integration team comprised of—

(I) independent experts with experience relating to—

(aa) coastal estuaries;

(bb) diversions;

(cc) coastal restoration;

(dd) wetlands protection;

(ee) ecosystem restoration;

(ff) hurricane protection;

(gg) storm damage reduction systems; and

(hh) navigation and ports; and

(II) representatives of—

(aa) the State of Louisiana; and

(bb) local governments in southern Louisiana.

(ii) PURPOSES.—The purposes referred to in clause (i) are—

(I) to advise the Task Force and the Secretary regarding opportunities to integrate the planning, engineering, design, implementation, and performance of Corps of Engineers projects for

hurricane and storm damage reduction, flood damage reduction, ecosystem restoration, and navigation in areas of Louisiana declared to be a major disaster as a result of Hurricane Katrina or Rita;

(II) to review reports relating to the performance of, and recommendations relating to the future performance of, the hurricane, coastal, and flood protection systems in southern Louisiana, including the reports issued by the Interagency Performance Evaluation Team, the National Science Foundation, the American Society of Civil Engineers, and Team Louisiana to advise the Task Force and the Secretary on opportunities to improve the performance of the protection systems; and

(III) to carry out such other duties as the Task Force or the Secretary determine to be appropriate.

(5) NONAPPLICABILITY OF FACA.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Task Force or any working group of the Task Force.

(j) SCIENCE AND TECHNOLOGY.—

(1) IN GENERAL.—The Secretary shall establish a coastal Louisiana ecosystem science and technology program.

(2) PURPOSES.—The purposes of the program established by paragraph (1) shall be—

(A) to identify any uncertainty relating to the physical, chemical, geological, biological, and cultural baseline conditions in coastal Louisiana;

(B) to improve knowledge of the physical, chemical, geological, biological, and cultural baseline conditions in coastal Louisiana; and

(C) to identify and develop technologies, models, and methods to carry out this subsection.

(3) WORKING GROUPS.—The Secretary may establish such working groups as the Secretary determines to be necessary to assist the Secretary in carrying out this subsection.

(4) CONTRACTS AND COOPERATIVE AGREEMENTS.—In carrying out this subsection, the Secretary may enter into a contract or cooperative agreement with an individual or entity (including a consortium of academic institutions in Louisiana) with scientific or engineering expertise in the restoration of aquatic and marine ecosystems for coastal restoration and enhancement through science and technology.

(k) ANALYSIS OF BENEFITS.—

(1) IN GENERAL.—Notwithstanding section 209 of the Flood Control Act of 1970 (42 U.S.C. 1962–2) or any other provision of law, in carrying out an activity to conserve, protect, restore, or maintain the coastal Louisiana ecosystem, the Secretary may determine that the environmental benefits provided by the program under this section outweigh the disadvantage of an activity under this section.

(2) DETERMINATION OF COST-EFFECTIVENESS.—If the Secretary determines that an activity under this section is cost-effective, no further economic justification for the activity shall be required.

(l) STUDIES.—

(1) DEGRADATION.—Not later than 180 days after the date of enactment of this Act, the Secretary, in consultation with the non-Federal interest, shall enter into a contract with the National Academy of Sciences under which the National Academy of Sciences shall carry out a study to identify—

(A) the cause of any degradation of the Louisiana Coastal Area ecosystem that occurred as a result of an activity approved by the Secretary; and

(B) the sources of the degradation.

(2) FINANCING.—On completion, and taking into account the results, of the study conducted under paragraph (1), the Secretary, in consultation with the non-Federal interest, shall study—

(A) financing alternatives for the program under subsection (a); and

(B) potential reductions in the expenditure of Federal funds in emergency responses that would occur as a result of ecosystem restoration in the Louisiana Coastal Area.

(m) PROJECT MODIFICATIONS.—

(1) REVIEW.—The Secretary, in cooperation with any non-Federal interest, shall review each federally-authorized water resources project in the coastal Louisiana area in existence on the date of enactment of this Act to determine whether—

(A) each project is in accordance with the program under subsection (a); and

(B) the project could contribute to ecosystem restoration under subsection (a) through modification of the operations or features of the project.

(2) MODIFICATIONS.—Subject to paragraphs (3) and (4), the Secretary may carry out the modifications described in paragraph (1)(B).

(3) PUBLIC NOTICE AND COMMENT.—Before completing the report required under paragraph (4), the Secretary shall provide an opportunity for public notice and comment.

(4) REPORT.—

(A) IN GENERAL.—Before modifying an operation or feature of a project under paragraph (1)(B), the Secretary shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report describing the modification.

(B) INCLUSION.—A report under subparagraph (A) shall include such information relating to the timeline and cost of a modification as the Secretary determines to be relevant.

(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $10,000,000.

(n) LOUISIANA WATER RESOURCES COUNCIL.—The Secretary shall establish a council, to be known as the ''Louisiana Water Resources Council'', which shall serve as the exclusive peer review panel for activities conducted by the Corps of Engineers in the areas in the State of Louisiana declared as major disaster areas in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170) in response to Hurricane Katrina or Rita of 2005, in accordance with the requirements of section 2007.

(o) EXTERNAL REVIEW.—The Secretary shall enter into a contract with the National Academy of Science to perform an external review of the demonstration program under subsection (d), and the results of the review shall be submitted to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives.

(p) NEW ORLEANS AND VICINITY.—

(1) IN GENERAL.—The Secretary is authorized—

(A) to raise levee heights as necessary, and to otherwise enhance the Lake Pontchartrain and Vicinity Project and the West Bank and Vicinity Project to provide the levels of protection necessary to achieve the certification required for the 100-year level of flood protection, in accordance with the National Flood Insurance Program under the base flood elevations current at the time of the construction;

(B) to modify the 17th Street, Orleans Avenue, and London Avenue drainage canals, including installing pumps and closure structures at or near the lakefront at Lake Pontchartrain;

(C) to armor critical elements of the New Orleans hurricane and storm damage reduction system;

(D) to improve and otherwise modify the Inner Harbor Navigation Canal to increase the reliability of the flood protection system for the city of New Orleans;

(E) to replace or modify certain non-Federal levees in Plaquemines Parish to incorporate the levees into the New Orleans to Venice Hurricane Protection Project;

(F) to reinforce or replace flood walls in the existing Lake Pontchartrain and Vicinity Project and the existing West Bank and Vicinity Project to improve performance of the flood protection systems;

(G) to perform onetime storm-proofing of interior pump stations to ensure the operability of the stations during hurricanes, storms, and high-water events;

(H) to repair, replace, modify, and improve non-Federal levees and associated protection measures in Terrebonne Parish; and

(I) to reduce the risk of storm damage to the greater New Orleans metropolitan area by restoring the surrounding wetlands through—

(i) measures to begin to reverse wetland losses in areas affected by navigation, oil and gas exploration and extraction, and other channels; and

(ii) modification of the Caernarvon Freshwater Diversion structure or its operations.

(2) FUNDING AUTHORITY.—An activity under paragraph (1) shall be carried out in accordance with the cost-sharing requirements of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109–234; 120 Stat. 418).

(3) CONDITIONS.—

(A) IN GENERAL.—The Secretary shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a notice in any case in which an estimate for the expenditure of funds on any project or activity described in paragraph (1) exceeds the amount specified for that project or activity in the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109–234; 120 Stat. 418).

(B) APPROPRIATIONS LIMITATION.—No appropriation in excess of an amount equal to 25 percent more than the amount specified for a project or activity in that Act shall be made until an increase in the level of expenditure has been approved by resolutions adopted by the Committees referred to in subparagraph (A).

(q) LAROSE TO GOLDEN MEADOW.—

(1) REPORT.—Not later than 120 days after the date of enactment of this Act, the Secretary shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report describing any modification required to the project for flood damage reduction, Larose to Golden Meadow, Louisiana, to achieve the certification necessary for participation in the National Flood Insurance Program.

(2) MODIFICATIONS.—The Secretary is authorized to carry out a modification described in paragraph (1) if—

(A) the Secretary submits a recommendation for authorization of the modification in the report under paragraph (1); and

(B) the total cost of the modification does not exceed $90,000,000.

(3) REQUIREMENT.—No appropriation shall be made to construct any modification under this subsection if the report under paragraph (1) has not been approved by resolutions adopted by the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives.

(4) CREDIT.—The Secretary shall credit to the non-Federal share of the cost of the project under this subsection any amount otherwise eligible to be credited under section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d–5b) (as amended by section 2001).

(r) CONSOLIDATION.—

(1) IN GENERAL.—The Secretary may consolidate the flood damage reduction projects in Lower Jefferson Parish, Louisiana, that have been identified for implementation under section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s) as of the date of enactment of this Act.

(2) TOTAL COST.—The Secretary may implement the consolidated project referred to in paragraph (1) if the total cost of the consolidated project does not exceed $100,000,000.

(s) MISSISSIPPI RIVER GULF OUTLET.—

(1) DEAUTHORIZATION.—

(A) IN GENERAL.—Effective beginning on the date of submission of the plan required under subparagraph (C), the navigation channel portion of the project for navigation, Mississippi River Gulf outlet, authorized by the Act of March 29, 1956 (70 Stat. 65, chapter 112;100 Stat. 4177; 110 Stat. 3717), which extends from the Gulf of Mexico to Mile 60 at the southern bank of the Gulf Intracoastal Waterway, is not authorized.

(B) SCOPE.—Nothing in this paragraph modifies or deauthorizes the Inner Harbor navigation canal replacement project authorized by that Act.

(C) CLOSURE AND RESTORATION PLAN.—

(i) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a final report on the deauthorization of the Mississippi River Gulf outlet, as described under the heading ''INVESTIGATIONS'' under chapter 3 of title II of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109–234; 120 Stat. 453).

(ii) INCLUSIONS.—At a minimum, the report under clause (i) shall include—

(I) a comprehensive plan to deauthorize navigation on the Mississippi River Gulf outlet;

(II) a plan to physically modify the Mississippi River Gulf outlet and restore the areas affected by the navigation channel;

(III) a plan to restore natural features of the ecosystem that will reduce or prevent damage from storm surge;

(IV) a plan to prevent the intrusion of saltwater into the waterway;

(V) efforts to integrate the recommendations of this report with the program authorized under subsection (a) and the analysis and design authorized by title I of the Energy and Water Develop Appropriations Act, 2006 (Public Law 109–103; 119 Stat. 2247); and

(VI) consideration of—

(aa) use of native vegetation; and

(bb) diversions of fresh water to restore the Lake Borgne ecosystem.

(D) CONSTRUCTION.—The Secretary shall carry out a plan to close the Mississippi River Gulf outlet and restore and protect the ecosystem substantially in accordance with the plan required under subparagraph (C), if the Secretary determines that the project is cost-effective, environmentally acceptable, and technically feasible.

(t) HURRICANE AND STORM DAMAGE REDUCTION.—With respect to the projects identified in the analysis and design of comprehensive hurricane protection authorized by title I of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103; 119 Stat. 2247), the Secretary shall—

(1) to the maximum extent practicable, submit specific project recommendations in any report developed under that Act; and

(2) submit the reports to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives.

(u) EMERGENCY PROCEDURES.—

(1) IN GENERAL.—If the President determines that a feature recommended in the analysis and design of comprehensive hurricane protection under title I of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103; 119 Stat. 2447), could—

(A) address an imminent threat to life and property;

(B) prevent a dangerous storm surge from reaching a populated area;

(C) prevent the loss of coastal areas that reduce the impact of storm surge;

(D) benefit national energy security;

(E) protect emergency hurricane evacuation routes or shelters; or

(F) address inconsistencies in hurricane protection standards;

the President may submit to the Speaker of the House of Representatives and the President pro tempore of the Senate for authorization a legislative proposal relating to the feature, as the President determines to be appropriate.

(2) PRIORITIZATION.—In submitting legislative proposals under paragraph (1), the President shall give highest priority to any project that, as determined by the President, would—

(A) to the maximum extent practicable, reduce the risk—

(i) of loss of human life;

(ii) to public safety; and

(iii) of damage to property; and

(B) minimize costs and environmental impacts.

(3) EXPEDITED CONSIDERATION.—

(A) IN GENERAL.—Beginning after December 31, 2008, any legislative proposal submitted by the President under paragraph (1) shall be eligible for expedited consideration in accordance with this paragraph.

(B) INTRODUCTION.—As soon as practicable after the date of receipt of a legislative proposal under paragraph (1), the Chairman of the Committee on Environment and Public Works of the Senate and the Chairman of the Committee on Transportation and Infrastructure of the House of Representatives shall introduce the proposal as a bill, by request, in the Senate or the House of Representatives, as applicable.

(C) REFERRAL.—A bill introduced under subparagraph (B) shall be referred to the Committee on Environment and Public Works of the Senate and as applicable the Committee on Transportation and Infrastructure of the House of Representatives.

(D) COMMITTEE CONSIDERATION.—

(i) IN GENERAL.—Not later than 45 legislative days after a bill under subparagraph (B) is referred to a Committee in accordance with subparagraph (C), the Committee shall act on the bill.

(ii) FAILURE TO ACT.—If a Committee fails to act on a bill by the date specified in clause (i), the bill shall be discharged from the Committee and placed on the calendar of the Senate or the House of Representatives, as applicable.

(E) SENATE FLOOR CONSIDERATION.—

(i) IN GENERAL.—Floor consideration in the Senate regarding a bill introduced under subparagraph (B) shall be limited to 20 hours, to be equally divided between the Majority Leader and the Minority Leader of the Senate (or a designee).

(ii) NONGERMANE AMENDMENTS.—An amendment that is nongermane to a bill introduced under subparagraph (B) shall not be in order.

(4) EFFECTIVE DATE.—This requirements of, and authorities under, this subsection shall expire on December 31, 2010.

SEC. 1004. SMALL PROJECTS FOR FLOOD DAMAGE REDUCTION.

The Secretary shall conduct a study for each of the following projects and, if the Secretary determines that a project is feasible, may carry out the project under section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s):

(1) CACHE RIVER BASIN, GRUBBS, ARKANSAS.—Project for flood damage reduction, Cache River Basin, Grubbs, Arkansas.

(2) BIBB COUNTY AND THE CITY OF MACON LEVEE, GEORGIA.—Project for flood damage reduction, Bibb County and the City of Macon Levee, Georgia.

(3) FORT WAYNE AND VICINITY, INDIANA.—Project for flood control, St. Mary's River, Fort Wayne and Vicinity, Indiana.

(4) SALEM, MASSACHUSETTS.—Project for flood damage reduction, Salem, Massachusetts.

(5) CROW RIVER, ROCKFORD, MINNESOTA.—Project for flood damage reduction, Crow River, Rockford, Minnesota.

(6) SOUTH BRANCH OF THE WILD RICE RIVER, BORUP, MINNESOTA.—Project for flood damage reduction, South Branch of the Wild Rice River, Borup, Minnesota.

(7) CHEYENNE, WYOMING.—Project for flood control, Capitol Basin, Cheyenne, Wyoming.

SEC. 1005. SMALL PROJECTS FOR NAVIGATION.

The Secretary shall conduct a study for each of the following projects and, if the Secretary determines that a project is feasible, may carry out the project under section 107 of the River and Harbor Act of 1960 (33 U.S.C. 577):

(1) BARROW HARBOR, ALASKA.—Project for navigation, Barrow Harbor, Alaska.

(2) NOME HARBOR, ALASKA.—Project for navigation, Nome Harbor, Alaska.

(3) OLD HARBOR, ALASKA.—Project for navigation, Old Harbor, Alaska.

(4) LITTLE ROCK PORT, ARKANSAS.—Project for navigation, Little Rock Port, Arkansas River, Arkansas.

(5) EAST BASIN, MASSACHUSETTS.—Project for navigation, East Basin, Cape Cod Canal, Sandwich, Massachusetts.

(6) LYNN HARBOR, MASSACHUSETTS.—Project for navigation, Lynn Harbor, Lynn, Massachusetts.

(7) MERRIMACK RIVER, MASSACHUSETTS.—Project for navigation, Merrimack River, Haverhill, Massachusetts.

(8) OAK BLUFFS HARBOR, MASSACHUSETTS.—Project for navigation, Oak Bluffs Harbor, Oak Bluffs, Massachusetts.

(9) WOODS HOLE GREAT HARBOR, MASSACHUSETTS.—Project for navigation, Woods Hole Great Harbor, Falmouth, Massachusetts.

(10) AU SABLE RIVER, MICHIGAN.—Project for navigation, Au Sable River in the vicinity of Oscoda, Michigan.

(11) CLINTON RIVER, MICHIGAN.—Project for navigation, Clinton River, Michigan.

(12) ONTONAGON RIVER, MICHIGAN.—Project for navigation, Ontonagon River, Ontonagon, Michigan.

(13) TRAVERSE CITY, MICHIGAN.—Project for navigation, Traverse City, Michigan.

(14) SEBEWAING RIVER, MICHIGAN.—Project for navigation, Sebewaing River, Michigan.

(15) TOWER HARBOR, MINNESOTA.—Project for navigation, Tower Harbor, Tower, Minnesota.

(16) OUTER CHANNEL AND INNER HARBOR, MENOMINEE HARBOR, MICHIGAN AND WISCONSIN.—Project for navigation, Outer Channel and Inner Harbor, Menominee Harbor, Michigan and Wisconsin.

(17) MIDDLE BASS ISLAND STATE PARK, MIDDLE BASS ISLAND, OHIO.—Project for navigation, Middle Bass Island State Park, Middle Bass Island, Ohio.

(18) MILWAUKEE HARBOR, WISCONSIN.—Project for navigation, Milwaukee Harbor, Milwaukee, Wisconsin.

SEC. 1006. SMALL PROJECTS FOR AQUATIC ECOSYSTEM RESTORATION.

The Secretary shall conduct a study for each of the following projects and, if the Secretary determines that a project is appropriate, may carry out the project under section 206 of the Water Resources Development Act of 1996 (33 U.S.C. 2330):

(1) BLACK LAKE, ALASKA.—Project for aquatic ecosystem restoration, Black Lake, Alaska, at the head of the Chignik Watershed.

(2) SAN DIEGO RIVER, CALIFORNIA.—Project for aquatic ecosystem restoration, San Diego River, California, including efforts to address invasive aquatic plant species.

(3) SUISON MARSH, SAN PABLO BAY, CALIFORNIA.—Project for aquatic ecosystem restoration, San Pablo Bay, California.

(4) CHATTAHOOCHEE FALL-LINE, GEORGIA.—Project for aquatic ecosystem restoration, Chattahoochee Fall-Line, Georgia.

(5) LAWRENCE GATEWAY, MASSACHUSETTS.—Project for aquatic ecosystem restoration at the Lawrence Gateway quadrant project along the Merrimack and Spicket Rivers in Lawrence, Massachusetts, in accordance with the general conditions established by the project approval of

the Environmental Protection Agency, Region I, including filling abandoned drainage facilities and making improvements to the drainage system on the Lawrence Gateway to prevent continued migration of contaminated sediments into the river systems.

(6) MILL POND, LITTLETON, MASSACHUSETTS.—Project for aquatic ecosystem restoration, Mill Pond, Littleton, Massachusetts.

(7) MILFORD POND, MILFORD, MASSACHUSETTS.—Project for aquatic ecosystem restoration, Milford Pond, Milford, Massachusetts.

(8) PINE TREE BROOK, MILTON, MASSACHUSETTS.—Project for aquatic ecosystem restoration, Pine Tree Brook, Milton, Massachusetts.

(9) CLINTON RIVER, MICHIGAN.—Project for aquatic ecosystem restoration, Clinton River, Michigan.

(10) CALDWELL COUNTY, NORTH CAROLINA.—Project for aquatic ecosystem restoration, Caldwell County, North Carolina.

(11) MECKLENBERG COUNTY, NORTH CAROLINA.—Project for aquatic ecosystem restoration, Mecklenberg County, North Carolina.

(12) JOHNSON CREEK, GRESHAM, OREGON.—Project for aquatic ecosystem restoration, Johnson Creek, Gresham, Oregon.

(13) BLACKSTONE RIVER, RHODE ISLAND.—Project for aquatic ecosystem restoration, Blackstone River, Rhode Island.

(14) COLLEGE LAKE, LYNCHBURG, VIRGINIA.—Project for aquatic ecosystem restoration, College Lake, Lynchburg, Virginia.

SEC. 1007. SMALL PROJECTS TO PREVENT OR MITIGATE DAMAGE CAUSED BY NAVIGATION PROJECTS.

The Secretary shall conduct a study for each of the following projects and, if the Secretary determines that a project is feasible, may carry out the project under section 111 of the River and Harbor Act of 1968 (33 U.S.C. 426i):

(1) Tybee Island, Georgia.

(2) Burns Waterway Harbor, Indiana.

SEC. 1008. SMALL PROJECTS FOR AQUATIC PLANT CONTROL.

The Secretary is authorized to carry out a project for aquatic nuisance plant control in the Republican River Basin, Nebraska, under section 104 of the River and Harbor Act of 1958 (33 U.S.C. 610).

TITLE II—GENERAL PROVISIONS

Subtitle A—Provisions

SEC. 2001. CREDIT FOR IN-KIND CONTRIBUTIONS.

Section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d–5b) is amended—

(1) by striking ''SEC. 221'' and inserting the following:

''SEC. 221. WRITTEN AGREEMENT REQUIREMENT FOR WATER RESOURCES PROJECTS.'';

and

(2) by striking subsection (a) and inserting the following:

''(a) COOPERATION OF NON-FEDERAL INTEREST.—

''(1) IN GENERAL.—After December 31, 1970, the construction of any water resources project, or an acceptable separable element thereof, by the Secretary of the Army, acting through the Chief of Engineers, or by a non-Federal interest where such interest will be reimbursed for such construction under any provision of law, shall not be commenced until each non-Federal interest has entered into a written partnership agreement with the district engineer for the district in which the project will be carried out under which each party agrees to carry out its responsibilities and requirements for implementation or construction of the project or the appropriate element of the project, as the case may be; except that no such agreement shall be required if the Secretary determines that the administrative costs associated with negotiating, executing, or administering the agreement would exceed the amount of the contribution required from the non-Federal interest and are less than $25,000.

''(2) LIQUIDATED DAMAGES.—An agreement described in paragraph (1) may include a provision for liquidated damages in the event of a failure of 1 or more parties to perform.

''(3) OBLIGATION OF FUTURE APPROPRIATIONS.—In any such agreement entered into by a State, or a body politic of the State which derives its powers from the State constitution, or a governmental entity created by the State legislature, the agreement may reflect that it does not obligate future appropriations for such performance and payment when obligating future appropriations would be inconsistent with constitutional or statutory limitations of the State or a political subdivision of the State.

''(4) CREDIT FOR IN-KIND CONTRIBUTIONS.—

''(A) IN GENERAL.—An agreement under paragraph (1) shall provide that the Secretary shall credit toward the non-Federal share of the cost of the project, including a project implemented under general continuing authority, the value of in-kind contributions made by the non-Federal interest, including—

''(i) the costs of planning (including data collection), design, management, mitigation, construction, and construction services that are provided by the non-Federal interest for implementation of the project;

''(ii) the value of materials or services provided before execution of an agreement for the project, including efforts on constructed elements incorporated into the project; and

''(iii) materials and services provided after an agreement is executed.

''(B) CONDITION.—The Secretary shall credit an in-kind contribution under subparagraph (A) if the Secretary determines that the property or service provided as an in-kind contribution is integral to the project.

''(C) LIMITATIONS.—Credit authorized for a project—

''(i) shall not exceed the non-Federal share of the cost of the project;

''(ii) shall not alter any other requirement that a non-Federal interest provide land, an easement or right-of-way, or an area for disposal of dredged material for the project; and

''(iii) shall not exceed the actual and reasonable costs of the materials, services, or other things provided by the non-Federal interest, as determined by the Secretary.''.

SEC. 2002. INTERAGENCY AND INTERNATIONAL SUPPORT AUTHORITY.

Section 234 of the Water Resources Development Act of 1996 (33 U.S.C. 2323a) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) IN GENERAL.—The Secretary may engage in activities (including contracting) in support of other Federal agencies, international organizations, or foreign governments to address problems of national significance to the United States.'';

(2) in subsection (b), by striking ''Secretary of State'' and inserting ''Department of State''; and

(3) in subsection (d)—

(A) by striking ''$250,000 for fiscal year 2001'' and inserting ''$1,000,000 for fiscal year 2007 and each fiscal year thereafter''; and

(B) by striking ''or international organizations'' and inserting '', international organizations, or foreign governments''.

SEC. 2003. TRAINING FUNDS.

(a) IN GENERAL.—The Secretary may include individuals from the non-Federal interest, including the private sector, in training classes and courses offered by the Corps of Engineers in any case in which the Secretary determines that it is in the best interest of the Federal Government to include those individuals as participants.

(b) EXPENSES.—

(1) IN GENERAL.—An individual from a non-Federal interest attending a training class or course described in subsection (a) shall pay the full cost of the training provided to the individual.

(2) PAYMENTS.—Payments made by an individual for training received under subsection (a), up to the actual cost of the training—

(A) may be retained by the Secretary;

(B) shall be credited to an appropriation or account used for paying training costs; and

(C) shall be available for use by the Secretary, without further appropriation, for training purposes.

(3) EXCESS AMOUNTS.—Any payments received under paragraph (2) that are in excess of the actual cost of training provided shall be credited as miscellaneous receipts to the Treasury of the United States.

SEC. 2004. FISCAL TRANSPARENCY REPORT.

(a) IN GENERAL.—On the third Tuesday of January of each year beginning January 2008, the Chief of Engineers shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report on the expenditures for the preceding fiscal year and estimated expenditures for the current fiscal year.

(b) CONTENTS.—In addition to the information described in subsection (a), the report shall contain a detailed accounting of the following information:

(1) With respect to general construction, information on—

(A) projects currently under construction, including—

(i) allocations to date;

(ii) the number of years remaining to complete construction;

(iii) the estimated annual Federal cost to maintain that construction schedule; and

(iv) a list of projects the Corps of Engineers expects to complete during the current fiscal year; and

(B) projects for which there is a signed cost-sharing agreement and completed planning, engineering, and design, including—

(i) the number of years the project is expected to require for completion; and

(ii) estimated annual Federal cost to maintain that construction schedule.

(2) With respect to operation and maintenance of the inland and intracoastal waterways under section 206 of Public Law 95–502 (33 U.S.C. 1804)—

(A) the estimated annual cost to maintain each waterway for the authorized reach and at the authorized depth; and

(B) the estimated annual cost of operation and maintenance of locks and dams to ensure navigation without interruption.

(3) With respect to general investigations and reconnaissance and feasibility studies—

(A) the number of active studies;

(B) the number of completed studies not yet authorized for construction;

(C) the number of initiated studies; and

(D) the number of studies expected to be completed during the fiscal year.

(4) Funding received and estimates of funds to be received for interagency and international support activities under section 318(a) of the Water Resources Development Act of 1990 (33 U.S.C. 2323(a)).

(5) Recreation fees and lease payments.

(6) Hydropower and water storage fees.

(7) Deposits into the Inland Waterway Trust Fund and the Harbor Maintenance Trust Fund.

(8) Other revenues and fees collected.

(9) With respect to permit applications and notifications, a list of individual permit applications and nationwide permit notifications, including—

(A) the date on which each permit application is filed;

(B) the date on which each permit application is determined to be complete; and

(C) the date on which the Corps of Engineers grants, withdraws, or denies each permit.

(10) With respect to the project backlog, a list of authorized projects for which no funds have been allocated for the 5 preceding fiscal years, including, for each project—

(A) the authorization date;

(B) the last allocation date;
(C) the percentage of construction completed;
(D) the estimated cost remaining until completion of the project; and
(E) a brief explanation of the reasons for the delay.

SEC. 2005. PLANNING.

(a) MATTERS TO BE ADDRESSED IN PLANNING.—Section 904 of the Water Resources Development Act of 1986 (33 U.S.C. 2281) is amended—
(1) by striking ''Enhancing'' and inserting the following:
''(a) IN GENERAL.—Enhancing''; and
(2) by adding at the end the following:
''(b) ASSESSMENTS.—For all feasibility reports completed after December 31, 2005, the Secretary shall assess whether—
''(1) the water resource project and each separable element is cost-effective; and
''(2) the water resource project complies with Federal, State, and local laws (including regulations) and public policies.''.
(b) PLANNING PROCESS IMPROVEMENTS.—The Chief of Engineers—
(1) shall, not later than 2 years after the date on which the feasibility study cost sharing agreement is signed for a project, subject to the availability of appropriations—
(A) complete the feasibility study for the project; and
(B) sign the report of the Chief of Engineers for the project;
(2) may, with the approval of the Secretary, extend the deadline established under paragraph (1) for not to exceed 4 years, for a complex or controversial study; and
(3)(A) shall adopt a risk analysis approach to project cost estimates; and
(B) not later than 1 year after the date of enactment of this Act, shall—
(i) issue procedures for risk analysis for cost estimation; and
(ii) submit to Congress a report that includes suggested amendments to section 902 of the Water Resources Development Act of 1986 (33 U.S.C. 2280).
(c) CALCULATION OF BENEFITS AND COSTS FOR FLOOD DAMAGE REDUCTION PROJECTS.—A feasibility study for a project for flood damage reduction shall include, as part of the calculation of benefits and costs—
(1) a calculation of the residual risk of flooding following completion of the proposed project;
(2) a calculation of the residual risk of loss of human life and residual risk to human safety following completion of the proposed project; and
(3) a calculation of any upstream or downstream impacts of the proposed project.
(d) CENTERS OF SPECIALIZED PLANNING EXPERTISE.—
(1) ESTABLISHMENT.—The Secretary may establish centers of expertise to provide specialized planning expertise for water resource projects to be carried out by the Secretary in order to enhance and supplement the capabilities of the districts of the Corps of Engineers.
(2) DUTIES.—A center of expertise established under this subsection shall—
(A) provide technical and managerial assistance to district commanders of the Corps of Engineers for project planning, development, and implementation;
(B) provide peer reviews of new major scientific, engineering, or economic methods, models, or analyses that will be used to support decisions of the Secretary with respect to feasibility studies;
(C) provide support for external peer review panels convened by the Secretary; and
(D) carry out such other duties as are prescribed by the Secretary.
(e) COMPLETION OF CORPS OF ENGINEERS REPORTS.—
(1) ALTERNATIVES.—
(A) IN GENERAL.—Feasibility and other studies and assessments of water resource problems and projects shall include recommendations for alternatives—
(i) that, as determined by the non-Federal interests for the projects, promote integrated water resources management; and
(ii) for which the non-Federal interests are willing to provide the non-Federal share for the studies or assessments.
(B) SCOPE AND PURPOSES.—The scope and purposes of studies and assessments described in subparagraph (A) shall not be constrained by budgetary or other policy as a result of the inclusion of alternatives described in that subparagraph.
(C) REPORTS OF CHIEF OF ENGINEERS.—The reports of the Chief of Engineers shall be based solely on the best technical solutions to water resource needs and problems.
(2) REPORT COMPLETION.—The completion of a report of the Chief of Engineers for a project—
(A) shall not be delayed while consideration is being given to potential changes in policy or priority for project consideration; and
(B) shall be submitted, on completion, to—
(i) the Committee on Environment and Public Works of the Senate; and
(ii) the Committee on Transportation and Infrastructure of the House of Representatives.
(f) COMPLETION REVIEW.—
(1) IN GENERAL.—Except as provided in paragraph (2), not later than 90 days after the date of completion of a report of the Chief of Engineers that recommends to Congress a water resource project, the Secretary shall—
(A) review the report; and
(B) provide any recommendations of the Secretary regarding the water resource project to Congress.
(2) PRIOR REPORTS.—Not later than 90 days after the date of enactment of this Act, with respect to any report of the Chief of Engineers recommending a water resource project that is complete prior to the date of enactment of this Act, the Secretary shall complete review of, and provide recommendations to Congress for, the report in accordance with paragraph (1).

SEC. 2006. WATER RESOURCES PLANNING COORDINATING COMMITTEE.

(a) ESTABLISHMENT.—The President shall establish a Water Resources Planning Coordinating Committee (referred to in this subsection as the ''Coordinating Committee'').
(b) MEMBERSHIP.—
(1) IN GENERAL.—The Coordinating Committee shall be composed of the following members (or a designee of the member):
(A) The Secretary of the Interior.
(B) The Secretary of Agriculture.
(C) The Secretary of Health and Human Services.
(D) The Secretary of Housing and Urban Development.
(E) The Secretary of Transportation.
(F) The Secretary of Energy.
(G) The Secretary of Homeland Security.
(H) The Secretary of Commerce.
(I) The Administrator of the Environmental Protection Agency.
(J) The Chairperson of the Council on Environmental Quality.
(2) CHAIRPERSON AND EXECUTIVE DIRECTOR.—The President shall appoint—
(A) 1 member of the Coordinating Committee to serve as Chairperson of the Coordinating Committee for a term of 2 years; and
(B) an Executive Director to supervise the activities of the Coordinating Committee.
(3) FUNCTION.—The function of the Coordinating Committee shall be to carry out the duties and responsibilities set forth under this section.
(c) NATIONAL WATER RESOURCES PLANNING AND MODERNIZATION POLICY.—It is the policy of the United States that all water resources projects carried out by the Corps of Engineers shall—
(1) reflect national priorities;
(2) seek to avoid the unwise use of floodplains;
(3) minimize vulnerabilities in any case in which a floodplain must be used;
(4) protect and restore the functions of natural systems; and
(5) mitigate any unavoidable damage to natural systems.
(d) WATER RESOURCE PRIORITIES REPORT.—
(1) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, the Coordinating Committee, in collaboration with the Secretary, shall submit to the President and Congress a report describing the vulnerability of the United States to damage from flooding and related storm damage, including—
(A) the risk to human life;
(B) the risk to property; and
(C) the comparative risks faced by different regions of the United States.
(2) INCLUSIONS.—The report under paragraph (1) shall include—
(A) an assessment of the extent to which programs in the United States relating to flooding address flood risk reduction priorities;
(B) the extent to which those programs may be unintentionally encouraging development and economic activity in floodprone areas;
(C) recommendations for improving those programs with respect to reducing and responding to flood risks; and
(D) proposals for implementing the recommendations.
(e) MODERNIZING WATER RESOURCES PLANNING GUIDELINES.—
(1) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, and every 5 years thereafter, the Secretary and the Coordinating Committee shall, in collaboration with each other, review and propose updates and revisions to modernize the planning principles and guidelines, regulations, and circulars by which the Corps of Engineers analyzes and evaluates water projects. In carrying out the review, the Coordinating Committee and the Secretary shall consult with the National Academy of Sciences for recommendations regarding updating planning documents.
(2) PROPOSED REVISIONS.—In conducting a review under paragraph (1), the Coordinating Committee and the Secretary shall consider revisions to improve water resources project planning through, among other things—
(A) requiring the use of modern economic principles and analytical techniques, credible schedules for project construction, and current discount rates as used by other Federal agencies;
(B) eliminating biases and disincentives to providing projects to low-income communities, including fully accounting for the prevention of loss of life under section 904 of the Water Resources Development Act of 1986 (33 U.S.C. 2281);
(C) eliminating biases and disincentives that discourage the use of nonstructural approaches to water resources development and management, and fully accounting for the flood protection and other values of healthy natural systems;
(D) promoting environmental restoration projects that reestablish natural processes;
(E) assessing and evaluating the impacts of a project in the context of other projects within a region or watershed;
(F) analyzing and incorporating lessons learned from recent studies of Corps of Engineers programs and recent disasters such as Hurricane Katrina and the Great Midwest Flood of 1993;
(G) encouraging wetlands conservation; and
(H) ensuring the effective implementation of the policies of this Act.
(3) PUBLIC PARTICIPATION.—The Coordinating Committee and the Secretary shall solicit public and expert comments regarding any revision proposed under paragraph (2).
(4) REVISION OF PLANNING GUIDANCE.—
(A) IN GENERAL.—Not later than 180 days after the date on which a review under paragraph (1) is completed, the Secretary, after providing notice and an opportunity for public

comment in accordance with subchapter II of chapter 5, and chapter 7, of title 5, United States Code (commonly known as the ''Administrative Procedure Act''), shall implement such proposed updates and revisions to the planning principles and guidelines, regulations, and circulars of the Corps of Engineers under paragraph (2) as the Secretary determines to be appropriate.

(B) EFFECT.—Effective beginning on the date on which the Secretary implements the first update or revision under paragraph (1), subsections (a) and (b) of section 80 of the Water Resources Development Act of 1974 (42 U.S.C. 1962d–17) shall not apply to the Corps of Engineers.

(5) REPORT.—

(A) IN GENERAL.—The Secretary shall submit to the Committees on Environment and Public Works and Appropriations of the Senate, and to the Committees on Transportation and Infrastructure and Appropriations of the House of Representatives, a report describing any revision of planning guidance under paragraph (4).

(B) PUBLICATION.—The Secretary shall publish the report under subparagraph (A) in the Federal Register.

SEC. 2007. INDEPENDENT PEER REVIEW.

(a) DEFINITIONS.—In this section:

(1) CONSTRUCTION ACTIVITIES.—The term ''construction activities'' means development of detailed engineering and design specifications during the preconstruction engineering and design phase and the engineering and design phase of a water resources project carried out by the Corps of Engineers, and other activities carried out on a water resources project prior to completion of the construction and to turning the project over to the local cost-share partner.

(2) PROJECT STUDY.—The term ''project study'' means a feasibility report, reevaluation report, or environmental impact statement prepared by the Corps of Engineers.

(b) DIRECTOR OF INDEPENDENT REVIEW.—The Secretary shall appoint in the Office of the Secretary a Director of Independent Review. The Director shall be selected from among individuals who are distinguished experts in engineering, hydrology, biology, economics, or another discipline related to water resources management. The Secretary shall ensure, to the maximum extent practicable, that the Director does not have a financial, professional, or other conflict of interest with projects subject to review. The Director of Independent Review shall carry out the duties set forth in this section and such other duties as the Secretary deems appropriate.

(c) SOUND PROJECT PLANNING.—

(1) PROJECTS SUBJECT TO PLANNING REVIEW.—The Secretary shall ensure that each project study for a water resources project shall be reviewed by an independent panel of experts established under this subsection if—

(A) the project has an estimated total cost of more than $40,000,000, including mitigation costs;

(B) the Governor of a State in which the water resources project is located in whole or in part, or the Governor of a State within the drainage basin in which a water resources project is located and that would be directly affected economically or environmentally as a result of the project, requests in writing to the Secretary the establishment of an independent panel of experts for the project;

(C) the head of a Federal agency with authority to review the project determines that the project is likely to have a significant adverse impact on public safety, or on environmental, fish and wildlife, historical, cultural, or other resources under the jurisdiction of the agency, and requests in writing to the Secretary the establishment of an independent panel of experts for the project; or

(D) the Secretary determines on his or her own initiative, or shall determine within 30 days of receipt of a written request for a controversy determination by any party, that the project is controversial because—

(i) there is a significant dispute regarding the size, nature, potential safety risks, or effects of the project; or

(ii) there is a significant dispute regarding the economic, or environmental costs or benefits of the project.

(2) PROJECT PLANNING REVIEW PANELS.—

(A) PROJECT PLANNING REVIEW PANEL MEMBERSHIP.—For each water resources project subject to review under this subsection, the Director of Independent Review shall establish a panel of independent experts that shall be composed of not less than 5 nor more than 9 independent experts (including at least 1 engineer, 1 hydrologist, 1 biologist, and 1 economist) who represent a range of areas of expertise. The Director of Independent Review shall apply the National Academy of Science's policy for selecting committee members to ensure that members have no conflict with the project being reviewed, and shall consult with the National Academy of Sciences in developing lists of individuals to serve on panels of experts under this subsection. An individual serving on a panel under this subsection shall be compensated at a rate of pay to be determined by the Secretary, and shall be allowed travel expenses.

(B) DUTIES OF PROJECT PLANNING REVIEW PANELS.—An independent panel of experts established under this subsection shall review the project study, receive from the public written and oral comments concerning the project study, and submit a written report to the Secretary that shall contain the panel's conclusions and recommendations regarding project study issues identified as significant by the panel, including issues such as—

(i) economic and environmental assumptions and projections;

(ii) project evaluation data;

(iii) economic or environmental analyses;

(iv) engineering analyses;

(v) formulation of alternative plans;

(vi) methods for integrating risk and uncertainty;

(vii) models used in evaluation of economic or environmental impacts of proposed projects; and

(viii) any related biological opinions.

(C) PROJECT PLANNING REVIEW RECORD.—

(i) IN GENERAL.—After receiving a report from an independent panel of experts established under this subsection, the Secretary shall take into consideration any recommendations contained in the report and shall immediately make the report available to the public on the internet.

(ii) RECOMMENDATIONS.—The Secretary shall prepare a written explanation of any recommendations of the independent panel of experts established under this subsection not adopted by the Secretary. Recommendations and findings of the independent panel of experts rejected without good cause shown, as determined by judicial review, shall be given equal deference as the recommendations and findings of the Secretary during a judicial proceeding relating to the water resources project.

(iii) SUBMISSION TO CONGRESS AND PUBLIC AVAILABILITY.—The report of the independent panel of experts established under this subsection and the written explanation of the Secretary required by clause (ii) shall be included with the report of the Chief of Engineers to Congress, shall be published in the Federal Register, and shall be made available to the public on the Internet.

(D) DEADLINES FOR PROJECT PLANNING REVIEWS.—

(i) IN GENERAL.—Independent review of a project study shall be completed prior to the completion of any Chief of Engineers report for a specific water resources project.

(ii) DEADLINE FOR PROJECT PLANNING REVIEW PANEL STUDIES.—An independent panel of experts established under this subsection shall complete its review of the project study and submit to the Secretary a report not later than 180 days after the date of establishment of the panel, or not later than 90 days after the close of the public comment period on a draft project study that includes a preferred alternative, whichever is later. The Secretary may extend these deadlines for good cause.

(iii) FAILURE TO COMPLETE REVIEW AND REPORT.—If an independent panel of experts established under this subsection does not submit to the Secretary a report by the deadline established by clause (ii), the Chief of Engineers may continue project planning without delay.

(iv) DURATION OF PANELS.—An independent panel of experts established under this subsection shall terminate on the date of submission of the report by the panel. Panels may be established as early in the planning process as deemed appropriate by the Director of Independent Review, but shall be appointed no later than 90 days before the release for public comment of a draft study subject to review under subsection (c)(1)(A), and not later than 30 days after a determination that review is necessary under subsection (c)(1)(B), (c)(1)(C), or (c)(1)(D).

(E) EFFECT ON EXISTING GUIDANCE.—The project planning review required by this subsection shall be deemed to satisfy any external review required by Engineering Circular 1105–2–408 (31 May 2005) on Peer Review of Decision Documents.

(d) SAFETY ASSURANCE.—

(1) PROJECTS SUBJECT TO SAFETY ASSURANCE REVIEW.—The Secretary shall ensure that the construction activities for any flood damage reduction project shall be reviewed by an independent panel of experts established under this subsection if the Director of Independent Review makes a determination that an independent review is necessary to ensure public health, safety, and welfare on any project—

(A) for which the reliability of performance under emergency conditions is critical;

(B) that uses innovative materials or techniques;

(C) for which the project design is lacking in redundancy, or that has a unique construction sequencing or a short or overlapping design construction schedule; or

(D) other than a project described in subparagraphs (A) through (C), as the Director of Independent Review determines to be appropriate.

(2) SAFETY ASSURANCE REVIEW PANELS.—At the appropriate point in the development of detailed engineering and design specifications for each water resources project subject to review under this subsection, the Director of Independent Review shall establish an independent panel of experts to review and report to the Secretary on the adequacy of construction activities for the project. An independent panel of experts under this subsection shall be composed of not less than 5 nor more than 9 independent experts selected from among individuals who are distinguished experts in engineering, hydrology, or other pertinent disciplines. The Director of Independent Review shall apply the National Academy of Science's policy for selecting committee members to ensure that panel members have no conflict with the project being reviewed. An individual serving on a panel of experts under this subsection shall be compensated at a rate of pay to be determined by the Secretary, and shall be allowed travel expenses.

(3) DEADLINES FOR SAFETY ASSURANCE REVIEWS.—An independent panel of experts established under this subsection shall submit a written report to the Secretary on the adequacy of the construction activities prior to the initiation of physical construction and periodically thereafter until construction activities are completed on a publicly available schedule determined by the Director of Independent Review for the purposes of assuring the public safety. The Director of Independent Review shall ensure that these reviews be carried out in a way to protect the public health, safety, and welfare, while not

causing unnecessary delays in construction activities.

(4) SAFETY ASSURANCE REVIEW RECORD.—After receiving a written report from an independent panel of experts established under this subsection, the Secretary shall—

(A) take into consideration recommendations contained in the report, provide a written explanation of recommendations not adopted, and immediately make the report and explanation available to the public on the Internet; and

(B) submit the report to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives.

(e) EXPENSES.—

(1) IN GENERAL.—The costs of an independent panel of experts established under subsection (c) or (d) shall be a Federal expense and shall not exceed—

(A) $250,000, if the total cost of the project in current year dollars is less than $50,000,000; and

(B) 0.5 percent of the total cost of the project in current year dollars, if the total cost is $50,000,000 or more.

(2) WAIVER.—The Secretary, at the written request of the Director of Independent Review, may waive the cost limitations under paragraph (1) if the Secretary determines appropriate.

(f) REPORT.—Not later than 5 years after the date of enactment of this Act, the Secretary shall submit to Congress a report describing the implementation of this section.

(g) SAVINGS CLAUSE.—Nothing in this section shall be construed to affect any authority of the Secretary to cause or conduct a peer review of the engineering, scientific, or technical basis of any water resources project in existence on the date of enactment of this Act.

SEC. 2008. MITIGATION FOR FISH AND WILDLIFE LOSSES.

(a) COMPLETION OF MITIGATION.—Section 906(a) of the Water Resources Development Act of 1986 (33 U.S.C. 2283(a)) is amended by adding at the following:

''(3) COMPLETION OF MITIGATION.—In any case in which it is not technically practicable to complete mitigation by the last day of construction of the project or separable element of the project because of the nature of the mitigation to be undertaken, the Secretary shall complete the required mitigation as expeditiously as practicable, but in no case later than the last day of the first fiscal year beginning after the last day of construction of the project or separable element of the project.''.

(b) USE OF CONSOLIDATED MITIGATION.—Section 906(b) of the Water Resources Development Act of 1986 (33 U.S.C. 2283(b)) is amended by adding at the end the following:

''(3) USE OF CONSOLIDATED MITIGATION.—

''(A) IN GENERAL.—If the Secretary determines that other forms of compensatory mitigation are not practicable or are less environmentally desirable, the Secretary may purchase available credits from a mitigation bank or conservation bank that is approved in accordance with the Federal Guidance for the Establishment, Use and Operation of Mitigations Banks (60 Fed. Reg. 58605) or other applicable Federal laws (including regulations).

''(B) SERVICE AREA.—To the maximum extent practicable, the service area of the mitigation bank or conservation bank shall be in the same watershed as the affected habitat.

''(C) RESPONSIBILITY RELIEVED.—Purchase of credits from a mitigation bank or conservation bank for a water resources project relieves the Secretary and the non-Federal interest from responsibility for monitoring or demonstrating mitigation success.''.

(c) MITIGATION REQUIREMENTS.—Section 906(d) of the Water Resources Development Act of 1986 (33 U.S.C. 2283(d)) is amended—

(1) in paragraph (1)—

(A) in the first sentence, by striking ''to the Congress unless such report contains'' and inserting ''to Congress, and shall not select a project alternative in any final record of decision, environmental impact statement, or environmental assessment, unless the proposal, record of decision, environmental impact statement, or environmental assessment contains''; and

(B) in the second sentence, by inserting '', and other habitat types are mitigated to not less than in-kind conditions'' after ''mitigated in-kind''; and

(2) by adding at the end the following:

''(3) MITIGATION REQUIREMENTS.—

''(A) IN GENERAL.—To mitigate losses to flood damage reduction capabilities and fish and wildlife resulting from a water resources project, the Secretary shall ensure that the mitigation plan for each water resources project complies fully with the mitigation standards and policies established pursuant to section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344).

''(B) INCLUSIONS.—A specific mitigation plan for a water resources project under paragraph (1) shall include, at a minimum—

''(i) a plan for monitoring the implementation and ecological success of each mitigation measure, including a designation of the entities that will be responsible for the monitoring;

''(ii) the criteria for ecological success by which the mitigation will be evaluated and determined to be successful;

''(iii) land and interests in land to be acquired for the mitigation plan and the basis for a determination that the land and interests are available for acquisition;

''(iv) a description of—

''(I) the types and amount of restoration activities to be conducted; and

''(II) the resource functions and values that will result from the mitigation plan; and

''(v) a contingency plan for taking corrective actions in cases in which monitoring demonstrates that mitigation measures are not achieving ecological success in accordance with criteria under clause (ii).

''(4) DETERMINATION OF SUCCESS.—

''(A) IN GENERAL.—A mitigation plan under this subsection shall be considered to be successful at the time at which the criteria under paragraph (3)(B)(ii) are achieved under the plan, as determined by monitoring under paragraph (3)(B)(i).

''(B) CONSULTATION.—In determining whether a mitigation plan is successful under subparagraph (A), the Secretary shall consult annually with appropriate Federal agencies and each State in which the applicable project is located on at least the following:

''(i) The ecological success of the mitigation as of the date on which the report is submitted.

''(ii) The likelihood that the mitigation will achieve ecological success, as defined in the mitigation plan.

''(iii) The projected timeline for achieving that success.

''(iv) Any recommendations for improving the likelihood of success.

''(C) REPORTING.—Not later than 60 days after the date of completion of the annual consultation, the Federal agencies consulted shall, and each State in which the project is located may, submit to the Secretary a report that describes the results of the consultation described in (B).

''(D) ACTION BY SECRETARY.—The Secretary shall respond in writing to the substance and recommendations contained in each report under subparagraph (C) by not later than 30 days after the date of receipt of the report.

''(5) MONITORING.—Mitigation monitoring shall continue until it has been demonstrated that the mitigation has met the ecological success criteria.''.

(d) STATUS REPORT.—

(1) IN GENERAL.—Concurrent with the submission of the President to Congress of the request of the President for appropriations for the Civil Works Program for a fiscal year, the Secretary shall submit to the Committee on the Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report describing the status of construction of projects that require mitigation under section 906 of Water Resources Development Act 1986 (33 U.S.C. 2283) and the status of that mitigation.

(2) PROJECTS INCLUDED.—The status report shall include the status of—

(A) all projects that are under construction as of the date of the report;

(B) all projects for which the President requests funding for the next fiscal year; and

(C) all projects that have completed construction, but have not completed the mitigation required under section 906 of the Water Resources Development Act of 1986 (33 U.S.C. 2283).

(e) MITIGATION TRACKING SYSTEM.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary shall establish a recordkeeping system to track, for each water resources project undertaken by the Secretary and for each permit issued under section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344)—

(A) the quantity and type of wetland and any other habitat type affected by the project, project operation, or permitted activity;

(B) the quantity and type of mitigation measures required with respect to the project, project operation, or permitted activity;

(C) the quantity and type of mitigation measures that have been completed with respect to the project, project operation, or permitted activity; and

(D) the status of monitoring of the mitigation measures carried out with respect to the project, project operation, or permitted activity.

(2) REQUIREMENTS.—The recordkeeping system under paragraph (1) shall—

(A) include information relating to the impacts and mitigation measures relating to projects described in paragraph (1) that occur after November 17, 1986; and

(B) be organized by watershed, project, permit application, and zip code.

(3) AVAILABILITY OF INFORMATION.—The Secretary shall make information contained in the recordkeeping system available to the public on the Internet.

SEC. 2009. STATE TECHNICAL ASSISTANCE.

Section 22 of the Water Resources Development Act of 1974 (42 U.S.C. 1962d–16) is amended—

(1) by striking ''SEC. 22. (a) The Secretary'' and inserting the following:

''SEC. 22. PLANNING ASSISTANCE TO STATES.

''(a) FEDERAL-STATE COOPERATION.—

''(1) COMPREHENSIVE PLANS.—The Secretary'';

(2) in subsection (a), by adding at the end the following:

''(2) TECHNICAL ASSISTANCE.—

''(A) IN GENERAL.—At the request of a governmental agency or non-Federal interest, the Secretary may provide, at Federal expense, technical assistance to the agency or non-Federal interest in managing water resources.

''(B) TYPES OF ASSISTANCE.—Technical assistance under this paragraph may include provision and integration of hydrologic, economic, and environmental data and analyses.'';

(3) in subsection (b)(1), by striking ''this section'' each place it appears and inserting ''subsection (a)(1)'';

(4) in subsection (b)(2), by striking ''up to ½ of the'' and inserting ''the'';

(5) in subsection (c)—

(A) by striking ''(c) There is'' and inserting the following:

''(c) AUTHORIZATION OF APPROPRIATIONS.—

''(1) FEDERAL AND STATE COOPERATION.—There is'';

(B) in paragraph (1) (as designated by subparagraph (A)), by striking ''the provisions of this section except that not more than $500,000 shall be expended in any one year in any one State.'' and inserting ''subsection (a)(1).''; and

(C) by adding at the end the following:

''(2) TECHNICAL ASSISTANCE.—There is authorized to be appropriated to carry out subsection (a)(2) $5,000,000 for each fiscal year, of which not more than $2,000,000 for each fiscal year may be used by the Secretary to enter into cooperative agreements with nonprofit organizations and State agencies to provide assistance to rural and small communities.''; and

(6) by adding at the end the following:

''(e) ANNUAL SUBMISSION.—For each fiscal year, based on performance criteria developed by the Secretary, the Secretary shall list in the annual civil works budget submitted to Congress the individual activities proposed for funding under subsection (a)(1) for the fiscal year.''.

SEC. 2010. ACCESS TO WATER RESOURCE DATA.

(a) IN GENERAL.—The Secretary, acting through the Chief of Engineers, shall carry out a program to provide public access to water resource and related water quality data in the custody of the Corps of Engineers.

(b) DATA.—Public access under subsection (a) shall—

(1) include, at a minimum, access to data generated in water resource project development and regulation under section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344); and

(2) appropriately employ geographic information system technology and linkages to water resource models and analytical techniques.

(c) PARTNERSHIPS.—To the maximum extent practicable, in carrying out activities under this section, the Secretary shall develop partnerships, including cooperative agreements with State, tribal, and local governments and other Federal agencies.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $2,000,000 for each fiscal year.

SEC. 2011. CONSTRUCTION OF FLOOD CONTROL PROJECTS BY NON-FEDERAL INTERESTS.

(a) IN GENERAL.—Section 211(e)(6) of the Water Resources Development Act of 1996 (33 U.S.C. 701b–13(e)(6)) is amended by adding at the end following:

''(E) BUDGET PRIORITY.—

''(i) IN GENERAL.—Budget priority for projects under this section shall be proportionate to the percentage of project completion.

''(ii) COMPLETED PROJECT.—A completed project shall have the same priority as a project with a contractor on site.''.

(b) CONSTRUCTION OF FLOOD CONTROL PROJECTS BY NON-FEDERAL INTERESTS.—Section 211(f) of the Water Resources Development Act of 1996 (33 U.S.C. 701b–13) is amended by adding at the end the following:

''(9) THORNTON RESERVOIR, COOK COUNTY, ILLINOIS.—An element of the project for flood control, Chicagoland Underflow Plan, Illinois.

''(10) BUFFALO BAYOU, TEXAS.—The project for flood control, Buffalo Bayou, Texas, authorized by the first section of the Act of June 20, 1938 (52 Stat. 804, chapter 535) (commonly known as the 'River and Harbor Act of 1938') and modified by section 3a of the Act of August 11, 1939 (53 Stat. 1414, chapter 699) (commonly known as the 'Flood Control Act of 1939'), except that, subject to the approval of the Secretary as provided by this section, the non-Federal interest may design and construct an alternative to such project.

''(11) HALLS BAYOU, TEXAS.—The Halls Bayou element of the project for flood control, Buffalo Bayou and tributaries, Texas, authorized by section 101(a)(21) of the Water Resources Development Act of 1990 (33 U.S.C. 2201 note), except that, subject to the approval of the Secretary as provided by this section, the non-Federal interest may design and construct an alternative to such project.

''(12) MENOMONEE RIVER WATERSHED, WISCONSIN.—The project for the Menomonee River Watershed, Wisconsin, including—

''(A) the Underwood Creek diversion facility project (Milwaukee County Grounds); and

''(B) the Greater Milwaukee Rivers watershed project.''.

SEC. 2012. REGIONAL SEDIMENT MANAGEMENT.

(a) IN GENERAL.—Section 204 of the Water Resources Development Act of 1992 (33 U.S.C. 2326) is amended to read as follows:

''SEC. 204. REGIONAL SEDIMENT MANAGEMENT.

''(a) IN GENERAL.—In connection with sediment obtained through the construction, operation, or maintenance of an authorized Federal water resources project, the Secretary, acting through the Chief of Engineers, shall develop Regional Sediment Management plans and carry out projects at locations identified in the plan prepared under subsection (e), or identified jointly by the non-Federal interest and the Secretary, for use in the construction, repair, modification, or rehabilitation of projects associated with Federal water resources projects, for—

''(1) the protection of property;

''(2) the protection, restoration, and creation of aquatic and ecologically related habitats, including wetlands; and

''(3) the transport and placement of suitable sediment

''(b) SECRETARIAL FINDINGS.—Subject to subsection (c), projects carried out under subsection (a) may be carried out in any case in which the Secretary finds that—

''(1) the environmental, economic, and social benefits of the project, both monetary and nonmonetary, justify the cost of the project; and

''(2) the project would not result in environmental degradation.

''(c) DETERMINATION OF PLANNING AND PROJECT COSTS.—

''(1) IN GENERAL.—In consultation and cooperation with the appropriate Federal, State, regional, and local agencies, the Secretary, acting through the Chief of Engineers, shall develop at Federal expense plans and projects for regional management of sediment obtained in conjunction with construction, operation, and maintenance of Federal water resources projects.

''(2) COSTS OF CONSTRUCTION.—

''(A) IN GENERAL.—Costs associated with construction of a project under this section or identified in a Regional Sediment Management plan shall be limited solely to construction costs that are in excess of those costs necessary to carry out the dredging for construction, operation, or maintenance of an authorized Federal water resources project in the most cost-effective way, consistent with economic, engineering, and environmental criteria.

''(B) COST SHARING.—The determination of any non-Federal share of the construction cost shall be based on the cost sharing as specified in subsections (a) through (d) of section 103 of the Water Resources Development Act of 1986 (33 U.S.C. 2213), for the type of Federal water resource project using the dredged resource.

''(C) TOTAL COST.—Total Federal costs associated with construction of a project under this section shall not exceed $5,000,000 without Congressional approval.

''(3) OPERATION, MAINTENANCE, REPLACEMENT, AND REHABILITATION COSTS.—Operation, maintenance, replacement, and rehabilitation costs associated with a project are a non-Federal sponsor responsibility.

''(d) SELECTION OF SEDIMENT DISPOSAL METHOD FOR ENVIRONMENTAL PURPOSES.—

''(1) IN GENERAL.—In developing and carrying out a Federal water resources project involving the disposal of material, the Secretary may select, with the consent of the non-Federal interest, a disposal method that is not the least-cost option if the Secretary determines that the incremental costs of the disposal method are reasonable in relation to the environmental benefits, including the benefits to the aquatic environment to be derived from the creation of wetlands and control of shoreline erosion.

''(2) FEDERAL SHARE.—The Federal share of such incremental costs shall be determined in accordance with subsection (c).

''(e) STATE AND REGIONAL PLANS.—The Secretary, acting through the Chief of Engineers, may—

''(1) cooperate with any State in the preparation of a comprehensive State or regional coastal sediment management plan within the boundaries of the State;

''(2) encourage State participation in the implementation of the plan; and

''(3) submit to Congress reports and recommendations with respect to appropriate Federal participation in carrying out the plan.

''(f) PRIORITY AREAS.—In carrying out this section, the Secretary shall give priority to regional sediment management projects in the vicinity of—

''(1) Fire Island Inlet, Suffolk County, New York;

''(2) Fletcher Cove, California;

''(3) Delaware River Estuary, New Jersey and Pennsylvania; and

''(4) Toledo Harbor, Lucas County, Ohio.

''(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $15,000,000 during each fiscal year, to remain available until expended, for the Federal costs identified under subsection (c), of which up to $5,000,000 shall be used for the development of regional sediment management plans as provided in subsection (e).

''(h) NONPROFIT ENTITIES.—Notwithstanding section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d–5b), for any project carried out under this section, a non-Federal interest may include a nonprofit entity, with the consent of the affected local government.''.

(b) REPEAL.—

(1) IN GENERAL.—Section 145 of the Water Resources Development Act of 1976 (33 U.S.C. 426j) is repealed.

(2) EXISTING PROJECTS.—The Secretary, acting through the Chief of Engineers, may complete any project being carried out under section 145 on the day before the date of enactment of this Act.

SEC. 2013. NATIONAL SHORELINE EROSION CONTROL DEVELOPMENT PROGRAM.

(a) IN GENERAL.—Section 3 of the Act entitled ''An Act authorizing Federal participation in the cost of protecting the shores of publicly owned property'', approved August 13, 1946 (33 U.S.C. 426g), is amended to read as follows:

''SEC. 3. STORM AND HURRICANE RESTORATION AND IMPACT MINIMIZATION PROGRAM.

''(a) CONSTRUCTION OF SMALL SHORE AND BEACH RESTORATION AND PROTECTION PROJECTS.—

''(1) IN GENERAL.—The Secretary may carry out construction of small shore and beach restoration and protection projects not specifically authorized by Congress that otherwise comply with the first section of this Act if the Secretary determines that such construction is advisable.

''(2) LOCAL COOPERATION.—The local cooperation requirement under the first section of this Act shall apply to a project under this section.

''(3) COMPLETENESS.—A project under this section—

''(A) shall be complete; and

''(B) shall not commit the United States to any additional improvement to ensure the successful operation of the project, except for participation in periodic beach nourishment in accordance with—

''(i) the first section of this Act; and

''(ii) the procedure for projects authorized after submission of a survey report.

''(b) NATIONAL SHORELINE EROSION CONTROL DEVELOPMENT AND DEMONSTRATION PROGRAM.—

''(1) IN GENERAL.—The Secretary, acting through the Chief of Engineers, shall conduct a national shoreline erosion control development and demonstration program (referred to in this section as the 'program').

''(2) REQUIREMENTS.—

''(A) IN GENERAL.—The program shall include provisions for—

''(i) projects consisting of planning, design, construction, and adequate monitoring of prototype engineered and native and naturalized vegetative shoreline erosion control devices and methods;

''(ii) detailed engineering and environmental reports on the results of each project carried out under the program; and

''(iii) technology transfers, as appropriate, to private property owners, State and local entities, nonprofit educational institutions, and nongovernmental organizations.

''(B) DETERMINATION OF FEASIBILITY.—A project under this section shall not be carried out until the Secretary, acting through the Chief of Engineers, determines that the project is feasible.

''(C) EMPHASIS.—A project carried out under the program shall emphasize, to the maximum extent practicable—

''(i) the development and demonstration of innovative technologies;

''(ii) efficient designs to prevent erosion at a shoreline site, taking into account the lifecycle cost of the design, including cleanup, maintenance, and amortization;

''(iii) new and enhanced shore protection project design and project formulation tools the purposes of which are to improve the physical performance, and lower the lifecycle costs, of the projects;

''(iv) natural designs, including the use of native and naturalized vegetation or temporary structures that minimize permanent structural alterations to the shoreline;

''(v) the avoidance of negative impacts to adjacent shorefront communities;

''(vi) the potential for long-term protection afforded by the technology; and

''(vii) recommendations developed from evaluations of the program established under the Shoreline Erosion Control Demonstration Act of 1974 (42 U.S.C. 1962–5 note; 88 Stat. 26), including—

''(I) adequate consideration of the subgrade;

''(II) proper filtration;

''(III) durable components;

''(IV) adequate connection between units; and

''(V) consideration of additional relevant information.

''(D) SITES.—

''(i) IN GENERAL.—Each project under the program shall be carried out at—

''(I) a privately owned site with substantial public access; or

''(II) a publicly owned site on open coast or in tidal waters.

''(ii) SELECTION.—The Secretary, acting through the Chief of Engineers, shall develop criteria for the selection of sites for projects under the program, including criteria based on—

''(I) a variety of geographic and climatic conditions;

''(II) the size of the population that is dependent on the beaches for recreation or the protection of private property or public infrastructure;

''(III) the rate of erosion;

''(IV) significant natural resources or habitats and environmentally sensitive areas; and

''(V) significant threatened historic structures or landmarks.

''(3) CONSULTATION.—The Secretary, acting through the Chief of Engineers, shall carry out the program in consultation with—

''(A) the Secretary of Agriculture, particularly with respect to native and naturalized vegetative means of preventing and controlling shoreline erosion;

''(B) Federal, State, and local agencies;

''(C) private organizations;

''(D) the Coastal Engineering Research Center established by the first section of Public Law 88–172 (33 U.S.C. 426–1); and

''(E) applicable university research facilities.

''(4) COMPLETION OF DEMONSTRATION.—After carrying out the initial construction and evaluation of the performance and lifecycle cost of a demonstration project under this section, the Secretary, acting through the Chief of Engineers, may—

''(A) at the request of a non-Federal interest of the project, amend the agreement for a federally-authorized shore protection project in existence on the date on which initial construction of the demonstration project is complete to incorporate the demonstration project as a feature of the shore protection project, with the future cost of the demonstration project to be determined by the cost-sharing ratio of the shore protection project; or

''(B) transfer all interest in and responsibility for the completed demonstration project to the non-Federal or other Federal agency interest of the project.

''(5) AGREEMENTS.—The Secretary, acting through the Chief of Engineers, may enter into an agreement with the non-Federal or other Federal agency interest of a project under this section—

''(A) to share the costs of construction, operation, maintenance, and monitoring of a project under the program;

''(B) to share the costs of removing a project or project element constructed under the program, if the Secretary determines that the project or project element is detrimental to private property, public infrastructure, or public safety; or

''(C) to specify ownership of a completed project that the Chief of Engineers determines will not be part of a Corps of Engineers project.

''(6) REPORT.—Not later than December 31 of each year beginning after the date of enactment of this paragraph, the Secretary shall prepare and submit to the Committee on Environment and Public works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report describing—

''(A) the activities carried out and accomplishments made under the program during the preceding year; and

''(B) any recommendations of the Secretary relating to the program.

''(c) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—Subject to paragraph (2), the Secretary may expend, from any appropriations made available to the Secretary for the purpose of carrying out civil works, not more than $30,000,000 during any fiscal year to pay the Federal share of the costs of construction of small shore and beach restoration and protection projects or small projects under the program.

''(2) LIMITATION.—The total amount expended for a project under this section shall—

''(A) be sufficient to pay the cost of Federal participation in the project (including periodic nourishment as provided for under the first section of this Act), as determined by the Secretary; and

''(B) be not more than $3,000,000.''.

(b) REPEAL.—Section 5 the Act entitled ''An Act authorizing Federal participation in the cost of protecting the shores of publicly owned property'', approved August 13, 1946 (33 U.S.C. 426e et seq.; 110 Stat. 3700) is repealed.

SEC. 2014. SHORE PROTECTION PROJECTS.

(a) IN GENERAL.—In accordance with the Act of July 3, 1930 (33 U.S.C. 426), and notwithstanding administrative actions, it is the policy of the United States to promote shore protection projects and related research that encourage the protection, restoration, and enhancement of sandy beaches, including beach restoration and periodic beach renourishment for a period of 50 years, on a comprehensive and coordinated basis by the Federal Government, States, localities, and private enterprises.

(b) PREFERENCE.—In carrying out the policy, preference shall be given to—

(1) areas in which there has been a Federal investment of funds; and

(2) areas with respect to which the need for prevention or mitigation of damage to shores and beaches is attributable to Federal navigation projects or other Federal activities.

(c) APPLICABILITY.—The Secretary shall apply the policy to each shore protection and beach renourishment project (including shore protection and beach renourishment projects in existence on the date of enactment of this Act).

SEC. 2015. COST SHARING FOR MONITORING.

(a) IN GENERAL.—Costs incurred for monitoring for an ecosystem restoration project shall be cost-shared—

(1) in accordance with the formula relating to the applicable original construction project; and

(2) for a maximum period of 10 years.

(b) AGGREGATE LIMITATION.—Monitoring costs for an ecosystem restoration project—

(1) shall not exceed in the aggregate, for a 10-year period, an amount equal to 5 percent of the cost of the applicable original construction project; and

(2) after the 10-year period, shall be 100 percent non-Federal.

SEC. 2016. ECOSYSTEM RESTORATION BENEFITS.

For each of the following projects, the Corps of Engineers shall include ecosystem restoration benefits in the calculation of benefits for the project:

(1) Grayson's Creek, California.

(2) Seven Oaks, California.

(3) Oxford, California.

(4) Walnut Creek, California.

(5) Wildcat Phase II, California.

SEC. 2017. FUNDING TO EXPEDITE THE EVALUATION AND PROCESSING OF PERMITS.

Section 214 of the Water Resources Development Act of 2000 (33 U.S.C. 2201 note; 114 Stat. 2594, 117 Stat. 1836, 119 Stat. 2169, 120 Stat. 318, 120 Stat. 3197) is amended by striking subsection (c).

SEC. 2018. ELECTRONIC SUBMISSION OF PERMIT APPLICATIONS.

(a) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, the Secretary shall implement a program to allow electronic submission of permit applications for permits under the jurisdiction of the Corps of Engineers.

(b) LIMITATIONS.—This section does not preclude the submission of a hard copy, as required.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $3,000,000.

SEC. 2019. IMPROVEMENT OF WATER MANAGEMENT AT CORPS OF ENGINEERS RESERVOIRS.

(a) IN GENERAL.—As part of the operation and maintenance, by the Corps of Engineers, of reservoirs in operation as of the date of enactment of this Act, the Secretary shall carry out the measures described in subsection (c) to support the water resource needs of project sponsors and any affected State, local, or tribal government for authorized project purposes.

(b) COOPERATION.—The Secretary shall carry out the measures described in subsection (c) in cooperation and coordination with project sponsors and any affected State, local, or tribal government.

(c) MEASURES.—In carrying out this section, the Secretary may—

(1) conduct a study to identify unused, underused, or additional water storage capacity at reservoirs;

(2) review an operational plan and identify any change to maximize an authorized project purpose to improve water storage capacity and enhance efficiency of releases and withdrawal of water;

(3) improve and update data, data collection, and forecasting models to maximize an authorized project purpose and improve water storage capacity and delivery to water users; and

(4) conduct a sediment study and implement any sediment management or removal measure.

(d) REVENUES FOR SPECIAL CASES.—

(1) COSTS OF WATER SUPPLY STORAGE.—In the case of a reservoir operated or maintained by the Corps of Engineers on the date of enactment of this Act, the storage charge for a future contract or contract renewal for the first cost of water supply storage at the reservoir shall be the lesser of the estimated cost of purposes foregone, replacement costs, or the updated cost of storage.

(2) REALLOCATION.—In the case of a water supply that is reallocated from another project purpose to municipal or industrial water supply, the joint use costs for the reservoir shall be adjusted to reflect the reallocation of project purposes.

(3) CREDIT FOR AFFECTED PROJECT PURPOSES.—In the case of a reallocation that adversely affects hydropower generation, the Secretary shall defer to the Administrator of the respective Power Marketing Administration to calculate the impact of such a reallocation on the rates for hydroelectric power.

(e) SAVINGS CLAUSE.—Nothing in this section affects any authority in existence on the date of enactment of this Act under—

(1) the Water Supply Act of 1958 (72 Stat 319);

(2) the Act of December 22, 1944 (commonly known as the ''Flood Control Act of 1944'') (58 Stat. 887, chapter 665);

(3) the Water Resources Development Act of 1986 (100 Stat. 4082); or

(4) section 322 of the Water Resource Development Act of 1990 (33 U.S.C. 2324).

SEC. 2020. FEDERAL HOPPER DREDGES.

Section 3(c)(7)(B) of the Act of August 11, 1888 (33 U.S.C. 622; 25 Stat. 423), is amended by adding at the end the following: ''This subparagraph shall not apply to the Federal hopper dredges Essayons and Yaquina of the Corps of Engineers.''.

SEC. 2021. EXTRAORDINARY RAINFALL EVENTS.

In the State of Louisiana, extraordinary rainfall events such as Hurricanes Katrina and Rita, which occurred during calendar year 2005, and Hurricane Andrew, which occurred during calendar year 1992, shall not be considered in making a determination with respect to the ordinary high water mark for purposes of carrying out section 10 of the Act of March 3, 1899 (33 U.S.C. 403) (commonly known as the ''Rivers and Harbors Act'').

SEC. 2022. WILDFIRE FIREFIGHTING.

Section 309 of Public Law 102–154 (42 U.S.C. 1856a–1; 105 Stat. 1034) is amended by inserting ''the Secretary of the Army,'' after ''the Secretary of Energy,''.

SEC. 2023. NONPROFIT ORGANIZATIONS AS SPONSORS.

Section 221(b) of the Flood Control Act of 1970 (42 U.S.C. 1962d–5b(b)) is amended—

(1) by striking ''A non-Federal interest shall be'' and inserting the following:

''(1) IN GENERAL.—In this section, the term 'non-Federal interest' means''; and

(2) by adding at the end the following:

''(2) INCLUSIONS.—The term 'non-Federal interest' includes a nonprofit organization acting with the consent of the affected unit of government.''.

SEC. 2024. PROJECT ADMINISTRATION.

(a) PROJECT TRACKING.—The Secretary shall assign a unique tracking number to each water resources project under the jurisdiction of the Secretary, to be used by each Federal agency throughout the life of the project.

(b) REPORT REPOSITORY.—

(1) IN GENERAL.—The Secretary shall maintain at the Library of Congress a copy of each final feasibility study, final environmental impact statement, final reevaluation report, record of decision, and report to Congress prepared by the Corps of Engineers.

(2) AVAILABILITY TO PUBLIC.—

(A) IN GENERAL.—Each document described in paragraph (1) shall be made available to the public for review, and an electronic copy of each document shall be made permanently available to the public through the Internet website of the Corps of Engineers.

(B) COST.—The Secretary shall charge the requestor for the cost of duplication of the requested document.

SEC. 2025. PROGRAM ADMINISTRATION.

Sections 101, 106, and 108 of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103; 119 Stat. 2252–2254), are repealed.

SEC. 2026. EXTENSION OF SHORE PROTECTION PROJECTS.

(a) IN GENERAL.—Before the date on which the applicable period for Federal financial participation in a shore protection project terminates, the Secretary, acting through the Chief of Engineers, is authorized to review the shore protection project to determine whether it would be feasible to extend the period of Federal financial participation relating to the project.

(b) REPORT.—The Secretary shall submit to Congress a report describing the results of each review conducted under subsection (a).

SEC. 2027. TRIBAL PARTNERSHIP PROGRAM.

Section 203 of the Water Resources Development Act of 2000 (33 U.S.C. 2269) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by inserting ''carry out water-related planning activities and'' after ''the Secretary may''; and

(B) in paragraph (2)—

(i) in subparagraph (A), by striking ''and'' at the end;

(ii) by redesignating subparagraph (B) as subparagraph (C); and

(iii) by inserting after subparagraph (A) the following:

''(B) watershed assessments and planning activities.''; and

(2) in subsection (e), by striking ''2006'' and inserting ''2012''.

SEC. 2028. PROJECT DEAUTHORIZATION.

Section 1001(b)(2) of the Water Resources Development Act of 1986 (33 U.S.C. 579a) is amended as follows:

(1) In the first sentence by striking ''two years'' and inserting ''year'';

(2) In the last sentence by striking ''30 months after the date'' and inserting ''the last date of the fiscal year following the fiscal year in which''; and

(3) In the last sentence by striking ''such 30 month period'' and inserting ''such period''.

Subtitle B—Continuing Authorities Projects

SEC. 2031. NAVIGATION ENHANCEMENTS FOR WATERBORNE TRANSPORTATION.

Section 107 of the River and Harbor Act of 1960 (33 U.S.C. 577) is amended—

(1) by striking ''SEC. 107. (a) That the Secretary of the Army is hereby authorized to'' and inserting the following:

''SEC. 107. NAVIGATION ENHANCEMENTS FOR WATERBORNE TRANSPORTATION.

''(a) IN GENERAL.—The Secretary of the Army may'';

(2) in subsection (b)—

(A) by striking ''(b) Not more'' and inserting the following:

''(b) ALLOTMENT.—Not more''; and

(B) by striking ''$4,000,000'' and inserting ''$7,000,000'';

(3) in subsection (c), by striking ''(c) Local'' and inserting the following:

''(c) LOCAL CONTRIBUTIONS.—Local'';

(4) in subsection (d), by striking ''(d) Non-Federal'' and inserting the following:

''(d) NON-FEDERAL SHARE.—Non-Federal'';

(5) in subsection (e), by striking ''(e) Each'' and inserting the following:

''(e) COMPLETION.—Each''; and

(6) in subsection (f), by striking ''(f) This'' and inserting the following:

''(f) APPLICABILITY.—This''.

SEC. 2032. PROTECTION AND RESTORATION DUE TO EMERGENCIES AT SHORES AND STREAMBANKS.

Section 14 of the Flood Control Act of 1946 (33 U.S.C. 701r) is amended by striking ''$1,000,000'' and inserting ''$1,500,000''.

SEC. 2033. RESTORATION OF THE ENVIRONMENT FOR PROTECTION OF AQUATIC AND RIPARIAN ECOSYSTEMS PROGRAM.

Section 206 of the Water Resources Development Act of 1996 (33 U.S.C. 2330) is amended—

(1) by striking the section heading and inserting the following:

''SEC. 206. RESTORATION OF THE ENVIRONMENT FOR PROTECTION OF AQUATIC AND RIPARIAN ECOSYSTEMS PROGRAM.'';

(2) in subsection (a), by striking ''an aquatic'' and inserting ''a freshwater aquatic''; and

(3) in subsection (e), by striking ''$25,000,000'' and inserting ''$30,000,000''.

SEC. 2034. ENVIRONMENTAL MODIFICATION OF PROJECTS FOR IMPROVEMENT AND RESTORATION OF ECOSYSTEMS PROGRAM.

Section 1135 of the Water Resources Development Act of 1986 (33 U.S.C. 2309a) is amended—

(1) by striking the section heading and inserting the following:

''SEC. 1135. ENVIRONMENTAL MODIFICATION OF PROJECTS FOR IMPROVEMENT AND RESTORATION OF ECOSYSTEMS PROGRAM.'';

and

(2) in subsection (h), by striking ''$25,000,000'' and inserting ''$30,000,000''.

SEC. 2035. PROJECTS TO ENHANCE ESTUARIES AND COASTAL HABITATS.

(a) IN GENERAL.—The Secretary may carry out an estuary habitat restoration project if the Secretary determines that the project—

(1) will improve the elements and features of an estuary (as defined in section 103 of the Estuaries and Clean Waters Act of 2000 (33 U.S.C. 2902));

(2) is in the public interest; and

(3) is cost-effective.

(b) COST SHARING.—The non-Federal share of the cost of construction of any project under this section—

(1) shall be 35 percent; and

(2) shall include the costs of all land, easements, rights-of-way, and necessary relocations.

(c) AGREEMENTS.—Construction of a project under this section shall commence only after a non-Federal interest has entered into a binding agreement with the Secretary to pay—

(1) the non-Federal share of the costs of construction required under subsection (b); and

(2) in accordance with regulations promulgated by the Secretary, 100 percent of the costs of any operation, maintenance, replacement, or rehabilitation of the project.

(d) LIMITATION.—Not more than $5,000,000 in Federal funds may be allocated under this section for a project at any 1 location.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2008 through 2011.

SEC. 2036. REMEDIATION OF ABANDONED MINE SITES.

Section 560 of the Water Resources Development Act of 1999 (33 U.S.C. 2336; 113 Stat. 354–355) is amended—

(1) by striking subsection (f);

(2) by redesignating subsections (a) through (e) as subsections (b) through (f), respectively;

(3) by inserting before subsection (b) (as redesignated by paragraph (2)) the following:

''(a) DEFINITION OF NON-FEDERAL INTEREST.—In this section, the term 'non-Federal interest' includes, with the consent of the affected local government, nonprofit entities, notwithstanding section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d–5b).'';

(4) in subsection (b) (as redesignated by paragraph (2))—

(A) by inserting '', and construction'' before ''assistance''; and

(B) by inserting '', including, with the consent of the affected local government, nonprofit entities,'' after ''non-Federal interests'';

(5) in paragraph (3) of subsection (c) (as redesignated by paragraph (2))—

(A) by inserting ''physical hazards and'' after ''adverse''; and

(B) by striking ''drainage from'';

(6) in subsection (d) (as redesignated by paragraph (2)), by striking ''50'' and inserting ''25''; and

(7) by adding at the end the following:

''(g) OPERATION AND MAINTENANCE.—The non-Federal share of the costs of operation and maintenance for a project carried out under this section shall be 100 percent.

''(h) NO EFFECT ON LIABILITY.—The provision of assistance under this section shall not relieve from liability any person that would otherwise be liable under Federal or State law for damages, response costs, natural resource damages, restitution, equitable relief, or any other relief.

''(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, for each of fiscal years 2008 through 2011, $20,000,000, to remain available until expended.''.

SEC. 2037. SMALL PROJECTS FOR THE REHABILITATION AND REMOVAL OF DAMS.

(a) AUTHORIZATION.—

(1) IN GENERAL.—The Secretary may carry out a small dam removal or rehabilitation project if the Secretary determines that the project will improve the quality of the environment or is in the public interest.

(2) PRIORITY PROJECTS.—In carrying out this section, the Secretary shall give priority to carrying out the following small dam removal or rehabilitation projects:

(A) Mountain Park, Georgia.

(B) Keith Creek, Rockford, Illinois.

(C) Mount Zion Mill Pond Dam, Fulton County, Indiana.

(D) Hamilton Dam, Flint River, Michigan.

(E) Ingham Spring Dam, Solebury Township, Pennsylvania.

(F) Stillwater Lake Dam, Monroe County, Pennsylvania.

(b) COST SHARING.—A non-Federal interest shall provide 35 percent of the cost of the removal or remediation of any project carried out under this section, including provision of all land, easements, rights-of-way, and necessary relocations.

(c) AGREEMENTS.—Construction of a project under this section shall be commenced only after a non-Federal interest has entered into a binding agreement with the Secretary to pay—

(1) the non-Federal share of the costs of construction required by this section; and

(2) 100 percent of any operation and maintenance cost.

(d) COST LIMITATION.—Not more than $5,000,000 in Federal funds may be allotted under this section for a project at any single location.

(e) FUNDING.—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2008 through 2011.

SEC. 2038. REMOTE, MARITIME-DEPENDENT COMMUNITIES.

(a) IN GENERAL.—The Secretary shall develop eligibility criteria for Federal participation in navigation projects located in economically disadvantaged communities that are—

(1) dependent on water transportation for subsistence; and

(2) located in—

(A) remote areas of the United States;

(B) American Samoa;

(C) Guam;

(D) the Commonwealth of the Northern Mariana Islands;

(E) the Commonwealth of Puerto Rico; or

(F) the United States Virgin Islands.

(b) ADMINISTRATION.—The criteria developed under this section—

(1) shall—

(A) provide for economic expansion; and

(B) identify opportunities for promoting economic growth; and

(2) shall not require project justification solely on the basis of National Economic Development benefits received.

SEC. 2039. AGREEMENTS FOR WATER RESOURCE PROJECTS.

(a) PARTNERSHIP AGREEMENTS.—Section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d–5b) is amended—

(1) by redesignating subsection (e) as subsection (g); and

(2) by inserting after subsection (d) the following:

''(e) PUBLIC HEALTH AND SAFETY.—If the Secretary determines that a project needs to be continued for the purpose of public health and safety—

''(1) the non-Federal interest shall pay the increased projects costs, up to an amount equal to 20 percent of the original estimated project costs and in accordance with the statutorily-determined cost share; and

''(2) notwithstanding the statutorily-determined Federal share, the Secretary shall pay all increased costs remaining after payment of 20 percent of the increased costs by the non-Federal interest under paragraph (1).

''(f) LIMITATION.—Nothing in subsection (a) limits the authority of the Secretary to ensure that a partnership agreement meets the requirements of law and policies of the Secretary in effect on the date of execution of the partnership agreement.''.

(b) LOCAL COOPERATION.—Section 912(b) of the Water Resources Development Act of 1986 (100 Stat. 4190) is amended—

(1) in paragraph (2)—

(A) in the first sentence, by striking ''shall'' and inserting ''may''; and

(B) by striking the second sentence; and

(2) in paragraph (4)—

(A) in the first sentence—

(i) by striking ''injunction, for'' and inserting ''injunction and payment of liquidated damages, for''; and

(ii) by striking ''to collect a civil penalty imposed under this section,''; and

(B) in the second sentence, by striking ''any civil penalty imposed under this section,'' and inserting ''any liquidated damages,''.

(c) APPLICABILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsections (a) and (b) shall apply only to partnership agreements entered into after the date of enactment of this Act.

(2) EXCEPTION.—Notwithstanding paragraph (1), the district engineer for the district in which a project is located may amend the partnership agreement for the project entered into on or before the date of enactment of this Act—

(A) at the request of a non-Federal interest for a project; and

(B) if construction on the project has not been initiated as of the date of enactment of this Act.

(d) REFERENCES.—

(1) COOPERATION AGREEMENTS.—Any reference in a law, regulation, document, or other paper of the United States to a cooperation agreement or project cooperation agreement shall be considered to be a reference to a partnership agreement or a project partnership agreement, respectively.

(2) PARTNERSHIP AGREEMENTS.—Any reference to a partnership agreement or project partnership agreement in this Act (other than in this section) shall be considered to be a reference to a cooperation agreement or a project cooperation agreement, respectively.

SEC. 2040. PROGRAM NAMES.

Section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s) is amended by striking ''SEC. 205. That the'' and inserting the following:

''SEC. 205. PROJECTS TO ENHANCE REDUCTION OF FLOODING AND OBTAIN RISK MINIMIZATION.

''The''.

Subtitle C—National Levee Safety Program

SEC. 2051. SHORT TITLE.

This subtitle may be cited as the ''National Levee Safety Program Act of 2007''.

SEC. 2052. DEFINITIONS.

In this subtitle:

(1) ASSESSMENT.—The term ''assessment'' means the periodic engineering evaluation of a levee by a registered professional engineer to—

(A) review the engineering features of the levee; and

(B) develop a risk-based performance evaluation of the levee, taking into consideration potential consequences of failure or overtopping of the levee.

(2) COMMITTEE.—The term ''Committee'' means the National Levee Safety Committee established by section 2053(a).

(3) INSPECTION.—The term ''inspection'' means an annual review of a levee to verify whether the owner or operator of the levee is conducting required operation and maintenance in accordance with established levee maintenance standards.

(4) LEVEE.—The term ''levee'' means an embankment (including a floodwall) that—

(A) is designed, constructed, or operated for the purpose of flood or storm damage reduction;

(B) reduces the risk of loss of human life or risk to the public safety; and

(C) is not otherwise defined as a dam by the Federal Guidelines for Dam Safety.

(5) SECRETARY.—The term ''Secretary'' means the Secretary of the Army, acting through the Chief of Engineers.

(6) STATE.—The term ''State'' means—

(A) a State;

(B) the District of Columbia;

(C) the Commonwealth of Puerto Rico; and

(D) any other territory or possession of the United States.

(7) STATE LEVEE SAFETY AGENCY.—The term ''State levee safety agency'' means the State agency that has regulatory authority over the safety of any non-Federal levee in a State.

(8) UNITED STATES.—The term ''United States'', when used in a geographical sense, means all of the States.

SEC. 2053. NATIONAL LEVEE SAFETY COMMITTEE.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary shall establish a National Levee Safety Committee, consisting of representatives of Federal agencies and State, tribal, and local governments, in accordance with this subsection.

(2) FEDERAL AGENCIES.—

(A) IN GENERAL.—The head of each Federal agency and the head of the International Boundary Waters Commission may designate a representative to serve on the Committee.

(B) ACTION BY SECRETARY.—The Secretary shall ensure, to the maximum extent practicable, that—

(i) each Federal agency that designs, owns, operates, or maintains a levee is represented on the Committee; and

(ii) each Federal agency that has responsibility for emergency preparedness or response activities is represented on the Committee.

(3) TRIBAL, STATE, AND LOCAL GOVERNMENTS.—

(A) IN GENERAL.—The Secretary shall appoint 8 members to the Committee—

(i) 3 of whom shall represent tribal governments affected by levees, based on recommendations of tribal governments;

(ii) 3 of whom shall represent State levee safety agencies, based on recommendations of Governors of the States; and

(iii) 2 of whom shall represent local governments, based on recommendations of Governors of the States.

(B) REQUIREMENT.—In appointing members under subparagraph (A), the Secretary shall ensure broad geographic representation, to the maximum extent practicable.

(4) CHAIRPERSON.—The Secretary shall serve as Chairperson of the Committee.

(5) OTHER MEMBERS.—The Secretary, in consultation with the Committee, may invite to participate in meetings of the Committee, as appropriate, 1 or more of the following:

(A) Representatives of the National Laboratories.
(B) Levee safety experts.
(C) Environmental organizations.
(D) Members of private industry.
(E) Any other individual or entity, as the Committee determines to be appropriate.
(b) DUTIES.—
(1) IN GENERAL.—The Committee shall—
(A) advise the Secretary in implementing the national levee safety program under section 2054;
(B) support the establishment and maintenance of effective programs, policies, and guidelines to enhance levee safety for the protection of human life and property throughout the United States; and
(C) support coordination and information exchange between Federal agencies and State levee safety agencies that share common problems and responsibilities relating to levee safety, including planning, design, construction, operation, emergency action planning, inspections, maintenance, regulation or licensing, technical or financial assistance, research, and data management.
(c) POWERS.—
(1) INFORMATION FROM FEDERAL AGENCIES.—
(A) IN GENERAL.—The Committee may secure directly from a Federal agency such information as the Committee considers to be necessary to carry out this section.
(B) PROVISION OF INFORMATION.—On request of the Committee, the head of a Federal agency shall provide the information to the Committee.
(2) CONTRACTS.—The Committee may enter into any contract the Committee determines to be necessary to carry out a duty of the Committee.
(d) WORKING GROUPS.—
(1) IN GENERAL.—The Secretary may establish working groups to assist the Committee in carrying out this section.
(2) MEMBERSHIP.—A working group under paragraph (1) shall be composed of—
(A) members of the Committee; and
(B) any other individual, as the Secretary determines to be appropriate.
(e) COMPENSATION OF MEMBERS.—
(1) FEDERAL EMPLOYEES.—A member of the Committee who is an officer or employee of the United States shall serve without compensation in addition to compensation received for the services of the member as an officer or employee of the United States.
(2) OTHER MEMBERS.—A member of the Committee who is not an officer or employee of the United States shall serve without compensation.
(f) TRAVEL EXPENSES.—
(1) REPRESENTATIVES OF FEDERAL AGENCIES.—To the extent amounts are made available in advance in appropriations Acts, a member of the Committee who represents a Federal agency shall be reimbursed with appropriations for travel expenses by the agency of the member, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from home or regular place of business of the member in the performance of services for the Committee.
(2) OTHER INDIVIDUALS.—To the extent amounts are made available in advance in appropriations Acts, a member of the Committee who represents a State levee safety agency, a member of the Committee who represents the private sector, and a member of a working group created under subsection (d) shall be reimbursed for travel expenses by the Secretary, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter 1 of chapter 57 of title 5, United States Code, while away from home or regular place of business of the member in performance of services for the Committee.
(g) NONAPPLICABILITY OF FACA.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Committee.

SEC. 2054. NATIONAL LEVEE SAFETY PROGRAM.

(a) IN GENERAL.—The Secretary, in consultation with the Committee and State levee safety agencies, shall establish and maintain a national levee safety program.
(b) PURPOSES.—The purposes of the program under this section are—
(1) to ensure that new and existing levees are safe through the development of technologically and economically feasible programs and procedures for hazard reduction relating to levees;
(2) to encourage appropriate engineering policies and procedures to be used for levee site investigation, design, construction, operation and maintenance, and emergency preparedness;
(3) to encourage the establishment and implementation of effective levee safety programs in each State;
(4) to develop and support public education and awareness projects to increase public acceptance and support of State levee safety programs;
(5) to develop technical assistance materials for Federal and State levee safety programs;
(6) to develop methods of providing technical assistance relating to levee safety to non-Federal entities; and
(7) to develop technical assistance materials, seminars, and guidelines to improve the security of levees in the United States.
(c) STRATEGIC PLAN.—In carrying out the program under this section, the Secretary, in coordination with the Committee, shall prepare a strategic plan—
(1) to establish goals, priorities, and target dates to improve the safety of levees in the United States;
(2) to cooperate and coordinate with, and provide assistance to, State levee safety agencies, to the maximum extent practicable;
(3) to share information among Federal agencies, State and local governments, and private entities relating to levee safety; and
(4) to provide information to the public relating to risks associated with levee failure or overtopping.
(d) FEDERAL GUIDELINES.—
(1) IN GENERAL.—In carrying out the program under this section, the Secretary, in coordination with the Committee, shall establish Federal guidelines relating to levee safety.
(2) INCORPORATION OF FEDERAL ACTIVITIES.—The Federal guidelines under paragraph (1) shall incorporate, to the maximum extent practicable, any activity carried out by a Federal agency as of the date on which the guidelines are established.
(e) INCORPORATION OF EXISTING ACTIVITIES.—The program under this section shall incorporate, to the maximum extent practicable—
(1) any activity carried out by a State or local government, or a private entity, relating to the construction, operation, or maintenance of a levee; and
(2) any activity carried out by a Federal agency to support an effort by a State levee safety agency to develop and implement an effective levee safety program.
(f) INVENTORY OF LEVEES.—The Secretary shall develop, maintain, and periodically publish an inventory of levees in the United States, including the results of any levee assessment conducted under this section and inspection.
(g) ASSESSMENTS OF LEVEES.—
(1) IN GENERAL.—Except as provided in paragraph (2), as soon as practicable after the date of enactment of this Act, the Secretary shall conduct an assessment of each levee in the United States that protects human life or the public safety to determine the potential for a failure or overtopping of the levee that would pose a risk of loss of human life or a risk to the public safety.
(2) EXCEPTION.—The Secretary may exclude from assessment under paragraph (1) any non-Federal levee the failure or overtopping of which would not pose a risk of loss of human life or a risk to the public safety.
(3) PRIORITIZATION.—In determining the order in which to assess levees under paragraph (1), the Secretary shall give priority to levees the failure or overtopping of which would constitute the highest risk of loss of human life or a risk to the public safety, as determined by the Secretary.
(4) DETERMINATION.—In assessing levees under paragraph (1), the Secretary shall take into consideration the potential of a levee to fail or overtop because of—
(A) hydrologic or hydraulic conditions;
(B) storm surges;
(C) geotechnical conditions;
(D) inadequate operating procedures;
(E) structural, mechanical, or design deficiencies; or
(F) other conditions that exist or may occur in the vicinity of the levee.
(5) STATE PARTICIPATION.—On request of a State levee safety agency, with respect to any levee the failure of which would affect the State, the Secretary shall—
(A) provide information to the State levee safety agency relating to the construction, operation, and maintenance of the levee; and
(B) allow an official of the State levee safety agency to participate in the assessment of the levee.
(6) REPORT.—As soon as practicable after the date on which a levee is assessed under this section, the Secretary shall provide to the Governor of the State in which the levee is located a notice describing the results of the assessment, including—
(A) a description of the results of the assessment under this subsection;
(B) a description of any hazardous condition discovered during the assessment; and
(C) on request of the Governor, information relating to any remedial measure necessary to mitigate or avoid any hazardous condition discovered during the assessment.
(7) SUBSEQUENT ASSESSMENTS.—
(A) IN GENERAL.—After the date on which a levee is initially assessed under this subsection, the Secretary shall conduct a subsequent assessment of the levee not less frequently than once every 5 years.
(B) STATE ASSESSMENT OF NON-FEDERAL LEVEES.—
(i) IN GENERAL.—Each State shall conduct assessments of non-Federal levees located within the State in accordance with the applicable State levee safety program.
(ii) AVAILABILITY OF INFORMATION.—Each State shall make the results of the assessments under clause (i) available for inclusion in the national inventory under subsection (f).
(iii) NON-FEDERAL LEVEES.—
(I) IN GENERAL.—On request of the Governor of a State, the Secretary may assess a non-Federal levee in the State.
(II) COST.—The State shall pay 100 percent of the cost of an assessment under subclause (I).
(III) FUNDING.—The Secretary may accept funds from any levee owner for the purposes of conducting engineering assessments to determine the performance and structural integrity of a levee.
(h) STATE LEVEE SAFETY PROGRAMS.—
(1) ASSISTANCE TO STATES.—In carrying out the program under this section, the Secretary shall provide funds to State levee safety agencies (or another appropriate State agency, as designated by the Governor of the State) to assist States in establishing, maintaining, and improving levee safety programs.
(2) APPLICATION.—
(A) IN GENERAL.—To receive funds under this subsection, a State levee safety agency shall submit to the Secretary an application in such time, in such manner, and containing such information as the Secretary may require.
(B) INCLUSION.—An application under subparagraph (A) shall include an agreement between the State levee safety agency and the Secretary under which the State levee safety agency shall, in accordance with State law—

(i) review and approve plans and specifications to construct, enlarge, modify, remove, or abandon a levee in the State;

(ii) perform periodic evaluations during levee construction to ensure compliance with the approved plans and specifications;

(iii) approve the construction of a levee in the State before the date on which the levee becomes operational;

(iv) assess, at least once every 5 years, all levees and reservoirs in the State the failure of which would cause a significant risk of loss of human life or risk to the public safety to determine whether the levees and reservoirs are safe;

(v) establish a procedure for more detailed and frequent safety evaluations;

(vi) ensure that assessments are led by a State-registered professional engineer with related experience in levee design and construction;

(vii) issue notices, if necessary, to require owners of levees to perform necessary maintenance or remedial work, improve security, revise operating procedures, or take other actions, including breaching levees;

(viii) contribute funds to—

(I) ensure timely repairs or other changes to, or removal of, a levee in order to reduce the risk of loss of human life and the risk to public safety; and

(II) if the owner of a levee does not take an action described in subclause (I), take appropriate action as expeditiously as practicable;

(ix) establish a system of emergency procedures and emergency response plans to be used if a levee fails or if the failure of a levee is imminent;

(x) identify—

(I) each levee the failure of which could be reasonably expected to endanger human life;

(II) the maximum area that could be flooded if a levee failed; and

(III) necessary public facilities that would be affected by the flooding; and

(xi) for the period during which the funds are provided, maintain or exceed the aggregate expenditures of the State during the 2 fiscal years preceding the fiscal year during which the funds are provided to ensure levee safety.

(3) DETERMINATION OF SECRETARY.—

(A) IN GENERAL.—Not later than 120 days after the date on which the Secretary receives an application under paragraph (2), the Secretary shall approve or disapprove the application.

(B) NOTICE OF DISAPPROVAL.—If the Secretary disapproves an application under subparagraph (A), the Secretary shall immediately provide to the State levee safety agency a written notice of the disapproval, including a description of—

(i) the reasons for the disapproval; and

(ii) changes necessary for approval of the application, if any.

(C) FAILURE TO DETERMINE.—If the Secretary fails to make a determination by the deadline under subparagraph (A), the application shall be considered to be approved.

(4) REVIEW OF STATE LEVEE SAFETY PROGRAMS.—

(A) IN GENERAL.—The Secretary, in conjunction with the Committee, may periodically review any program carried out using funds under this subsection.

(B) INADEQUATE PROGRAMS.—If the Secretary determines under a review under subparagraph (A) that a program is inadequate to reasonably protect human life and property, the Secretary shall, until the Secretary determines the program to be adequate—

(i) revoke the approval of the program; and

(ii) withhold assistance under this subsection.

(i) REPORTING.—Not later than 90 days after the end of each odd-numbered fiscal year, the Secretary, in consultation with the Committee, shall submit to Congress a report describing—

(1) the status of the program under this section;

(2) the progress made by Federal agencies during the 2 preceding fiscal years in implementing Federal guidelines for levee safety;

(3) the progress made by State levee safety agencies participating in the program; and

(4) recommendations for legislative or other action that the Secretary considers to be necessary, if any.

(j) RESEARCH.—The Secretary, in coordination with the Committee, shall carry out a program of technical and archival research to develop and support—

(1) improved techniques, historical experience, and equipment for rapid and effective levee construction, rehabilitation, and assessment or inspection;

(2) the development of devices for the continued monitoring of levee safety;

(3) the development and maintenance of information resources systems required to manage levee safety projects; and

(4) public policy initiatives and other improvements relating to levee safety engineering, security, and management.

(k) PARTICIPATION BY STATE LEVEE SAFETY AGENCIES.—In carrying out the levee safety program under this section, the Secretary shall—

(1) solicit participation from State levee safety agencies; and

(2) periodically update State levee safety agencies and Congress on the status of the program.

(l) LEVEE SAFETY TRAINING.—The Secretary, in consultation with the Committee, shall establish a program under which the Secretary shall provide training for State levee safety agency staff and inspectors to a State that has, or intends to develop, a State levee safety program, on request of the State.

(m) EFFECT OF SUBTITLE.—Nothing in this subtitle—

(1) creates any Federal liability relating to the recovery of a levee caused by an action or failure to act;

(2) relieves an owner or operator of a levee of any legal duty, obligation, or liability relating to the ownership or operation of the levee; or

(3) except as provided in subsection (g)(7)(B)(iii)(III), preempts any applicable Federal or State law.

SEC. 2055. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Secretary—

(1) $20,000,000 to establish and maintain the inventory under section 2054(f);

(2) $42,000,000 to carry out levee safety assessments under section 2054(g);

(3) to provide funds for State levee safety programs under section 2054(h)—

(A) $15,000,000 for fiscal year 2007; and

(B) $5,000,000 for each of fiscal years 2008 through 2011;

(4) $2,000,000 to carry out research under section 2054(j);

(5) $1,000,000 to carry out levee safety training under section 2054(l); and

(6) $150,000 to provide travel expenses to members of the Committee under section 2053(f).

TITLE III—PROJECT-RELATED PROVISIONS

SEC. 3001. ST. HERMAN AND ST. PAUL HARBORS, KODIAK, ALASKA.

The Secretary shall carry out, on an emergency basis, necessary removal of rubble, sediment, and rock impeding the entrance to the St. Herman and St. Paul Harbors, Kodiak, Alaska, at a Federal cost of $2,000,000.

SEC. 3002. SITKA, ALASKA.

The Sitka, Alaska, element of the project for navigation, Southeast Alaska Harbors of Refuge, Alaska, authorized by section 101 of the Water Resources Development Act of 1992 (106 Stat. 4801), is modified to direct the Secretary to take such action as is necessary to correct design deficiencies in the Sitka Harbor Breakwater, at full Federal expense. The estimated cost is $6,300,000.

SEC. 3003. BLACK WARRIOR-TOMBIGBEE RIVERS, ALABAMA.

Section 111 of title I of division C of the Consolidated Appropriations Act, 2005 (118 Stat. 2944), is amended by striking subsections (a) and (b) and inserting the following:

''(a) CONSTRUCTION OF NEW FACILITIES.—

''(1) DEFINITIONS.—In this subsection:

''(A) EXISTING FACILITY.—The term 'existing facility' means the administrative and maintenance facility for the project for Black Warrior-Tombigbee Rivers, Alabama, in existence on the date of enactment of the Water Resources Development Act of 2007.

''(B) PARCEL.—The term 'Parcel' means the land owned by the Federal Government in the City of Tuscaloosa, Alabama, as in existence on the date of enactment of the Water Resources Development Act of 2007.

''(2) AUTHORIZATION.—In carrying out the project for Black Warrior-Tombigbee Rivers, Alabama, the Secretary is authorized—

''(A) to purchase land on which the Secretary may construct a new maintenance facility, to be located—

''(i) at a different location from the existing facility; and

''(ii) in the vicinity of the City of Tuscaloosa, Alabama;

''(B) at any time during or after the completion of, and relocation to, the new maintenance facility—

''(i) to demolish the existing facility; and

''(ii) to carry out any necessary environmental clean-up of the Parcel, all at full Federal expense; and

''(C) to construct on the Parcel a new administrative facility.

''(b) ACQUISITION AND DISPOSITION OF PROPERTY.—The Secretary—

''(1) may acquire any real property necessary for the construction of the new maintenance facility under subsection (a)(2)(A); and

''(2) shall convey to the City of Tuscaloosa fee simple title in and to any portion of the Parcel not required for construction of the new administrative facility under subsection (a)(2)(C) through—

''(A) sale at fair market value;

''(B) exchange of other Federal land on an acre-for-acre basis; or

''(C) another form of transfer.''.

SEC. 3004. NOGALES WASH AND TRIBUTARIES FLOOD CONTROL PROJECT, ARIZONA.

The project for flood control, Nogales Wash and tributaries, Arizona, authorized by section 101(a)(4) of the Water Resources Development Act of 1990 (104 Stat. 4606; 110 Stat. 3711; 114 Stat. 2600), is modified to authorize the Secretary to construct the project at a total cost of $25,410,000, with an estimated Federal cost of $22,930,000 and an estimated non-Federal cost of $2,480,000.

SEC. 3005. RIO DE FLAG, FLAGSTAFF, ARIZONA.

The project for flood damage reduction, Rio De Flag, Flagstaff, Arizona, authorized by section 101(b)(3) of the Water Resources Development Act of 2000 (114 Stat. 2576), is modified to authorize the Secretary to construct the project at a total cost of $54,100,000, with an estimated Federal cost of $35,000,000 and a non-Federal cost of $19,100,000.

SEC. 3006. TUCSON DRAINAGE AREA (TUCSON ARROYO), ARIZONA.

The project for flood damage reduction, environmental restoration, and recreation, Tucson Drainage Area (Tucson Arroyo), Arizona, authorized by section 101(a)(5) of the Water Resources Development Act of 1999 (113 Stat. 274), is modified to authorize the Secretary to construct the project at a total cost of $66,700,000, with an estimated Federal cost of $43,350,000 and an estimated non-Federal cost of $23,350,000.

SEC. 3007. AUGUSTA AND CLARENDON, ARKANSAS.

The Secretary may carry out rehabilitation of authorized and completed levees on the White River between Augusta and Clarendon, Arkansas, at a total estimated cost of $8,000,000, with

an estimated Federal cost of $5,200,000 and an estimated non-Federal cost of $2,800,000.

SEC. 3008. EASTERN ARKANSAS ENTERPRISE COMMUNITY, ARKANSAS.

Federal assistance made available under the rural enterprise zone program of the Department of Agriculture may be used toward payment of the non-Federal share of the costs of the project described in section 219(c)(20) of the Water Resources Development Act of 1992 (106 Stat. 4835; 114 Stat. 2763A–219), if the funds are authorized to be used for the purpose of that project.

SEC. 3009. RED-OUACHITA RIVER BASIN LEVEES, ARKANSAS AND LOUISIANA.

(a) IN GENERAL.—Section 204 of the Flood Control Act of 1950 (64 Stat. 170) is amended in the matter under the heading ''RED-OUACHITA RIVER BASIN'' by striking ''at Calion, Arkansas'' and inserting ''improvements at Calion, Arkansas (including authorization for the comprehensive flood-control project for Ouachita River and tributaries, incorporating in the project all flood control, drainage, and power improvements in the basin above the lower end of the left bank Ouachita River levee)''.

(b) MODIFICATION.—Section 3 of the Act of August 18, 1941 (55 Stat. 642, chapter 377), is amended in the second sentence of subsection (a) in the matter under the heading ''LOWER MISSISSIPPI RIVER'' by inserting before the period at the end the following: ''Provided, That the Ouachita River Levees, Louisiana, authorized by the first section of the Act of May 15, 1928 (45 Stat. 534, chapter 569), shall remain as a component of the Mississippi River and Tributaries Project and afforded operation and maintenance responsibilities as directed in section 3 of that Act (45 Stat. 535)''.

SEC. 3010. ST. FRANCIS BASIN, ARKANSAS AND MISSOURI.

(a) IN GENERAL.—The project for flood control, St. Francis River Basin, Arkansas, and Missouri, authorized the Act of June 15, 1936 (49 Stat. 1508, chapter 548), as modified, is further modified to authorize the Secretary to undertake channel stabilization and sediment removal measures on the St. Francis River and tributaries as an integral part of the original project.

(b) NO SEPARABLE ELEMENT.—The measures undertaken under subsection (a) shall not be considered to be a separable element of the project.

SEC. 3011. ST. FRANCIS BASIN LAND TRANSFER, ARKANSAS AND MISSOURI.

(a) IN GENERAL.—The Secretary shall convey to the State of Arkansas, without monetary consideration and subject to subsection (b), all right, title, and interest to land within the State acquired by the Federal Government as mitigation land for the project for flood control, St. Francis Basin, Arkansas and Missouri Project, authorized by the Act of May 15, 1928 (33 U.S.C. 702a et seq.) (commonly known as the ''Flood Control Act of 1928'').

(b) TERMS AND CONDITIONS.—

(1) IN GENERAL.—The conveyance by the United States under this section shall be subject to—

(A) the condition that the State of Arkansas (including the successors and assigns of the State) agree to operate, maintain, and manage the land at no cost or expense to the United States and for fish and wildlife, recreation, and environmental purposes; and

(B) such other terms and conditions as the Secretary determines to be in the interest of the United States.

(2) REVERSION.—If the State (or a successor or assign of the State) ceases to operate, maintain, and manage the land in accordance with this subsection, all right, title, and interest in and to the property shall revert to the United States, at the option of the Secretary.

SEC. 3012. MCCLELLAN-KERR ARKANSAS RIVER NAVIGATION SYSTEM, ARKANSAS AND OKLAHOMA.

(a) NAVIGATION CHANNEL.—The Secretary shall continue construction of the McClellan-Kerr Arkansas River Navigation System, Arkansas and Oklahoma, to operate and maintain the navigation channel to the authorized depth of the channel, in accordance with section 136 of the Energy and Water Development Appropriations Act, 2004 (Public Law 108–137; 117 Stat. 1842).

(b) MITIGATION.—

(1) IN GENERAL.—As mitigation for any incidental taking relating to the McClellan-Kerr Navigation System, the Secretary shall determine the need for, and construct modifications in, the structures and operations of the Arkansas River in the area of Tulsa County, Oklahoma, including the construction of low water dams and islands to provide nesting and foraging habitat for the interior least tern, in accordance with the study entitled ''Arkansas River Corridor Master Plan Planning Assistance to States''.

(2) COST SHARING.—The non-Federal share of the cost of a project under this subsection shall be 35 percent.

(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $12,000,000.

SEC. 3013. CACHE CREEK BASIN, CALIFORNIA.

(a) IN GENERAL.—The project for flood control, Cache Creek Basin, California, authorized by section 401(a) of the Water Resources Development Act of 1986 (100 Stat. 4112), is modified to direct the Secretary to mitigate the impacts of the new south levee of the Cache Creek settling basin on the storm drainage system of the city of Woodland, including all appurtenant features, erosion control measures, and environmental protection features.

(b) OBJECTIVES.—Mitigation under subsection (a) shall restore the pre-project capacity of the city (1,360 cubic feet per second) to release water to the Yolo Bypass, including—

(1) channel improvements;

(2) an outlet work through the west levee of the Yolo Bypass; and

(3) a new low flow cross channel to handle city and county storm drainage and settling basin flows (1,760 cubic feet per second) when the Yolo Bypass is in a low flow condition.

SEC. 3014. CALFED LEVEE STABILITY PROGRAM, CALIFORNIA.

In addition to funds made available pursuant to the Water Supply, Reliability, and Environmental Improvement Act (Public Law 108–361) to carry out section 103(f)(3)(D) of that Act (118 Stat. 1696), there is authorized to be appropriated to carry out projects described in that section $106,000,000, to remain available until expended.

SEC. 3015. HAMILTON AIRFIELD, CALIFORNIA.

The project for environmental restoration, Hamilton Airfield, California, authorized by section 101(b)(3) of the Water Resources Development Act of 1999 (113 Stat. 279), is modified to include the diked bayland parcel known as ''Bel Marin Keys Unit V'' at an estimated total cost of $221,700,000, with an estimated Federal cost of $166,200,000 and an estimated non-Federal cost of $55,500,000, as part of the project to be carried out by the Secretary substantially in accordance with the plans, and subject to the conditions, recommended in the final report of the Chief of Engineers dated July 19, 2004.

SEC. 3016. LA–3 DREDGED MATERIAL OCEAN DISPOSAL SITE DESIGNATION, CALIFORNIA.

Section 102(c)(4) of the Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 1412(c)(4)) is amended in the third sentence by striking ''January 1, 2003'' and inserting ''January 1, 2011''.

SEC. 3017. LARKSPUR FERRY CHANNEL, CALIFORNIA.

(a) REPORT.—The project for navigation, Larkspur Ferry Channel, Larkspur, California, authorized by section 601(d) of the Water Resources Development Act of 1986 (100 Stat. 4148), is modified to direct the Secretary to prepare a limited reevaluation report to determine whether maintenance of the project is feasible.

(b) AUTHORIZATION OF PROJECT.—If the Secretary determines that maintenance of the project is feasible, the Secretary shall carry out the maintenance.

SEC. 3018. LLAGAS CREEK, CALIFORNIA.

The project for flood damage reduction, Llagas Creek, California, authorized by section 501(a) of the Water Resources Development Act of 1999 (113 Stat. 333), is modified to authorize the Secretary to complete the project, in accordance with the requirements of local cooperation as specified in section 5 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1005), at a total remaining cost of $105,000,000, with an estimated remaining Federal cost of $65,000,000 and an estimated remaining non-Federal cost of $40,000,000.

SEC. 3019. MAGPIE CREEK, CALIFORNIA.

The project for Magpie Creek, California, authorized by section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s), is modified to direct the Secretary to apply the cost-sharing requirements of section 103(b) of the Water Resources Development Act of 1986 (100 Stat. 4085) for the portion of the project consisting of land acquisition to preserve and enhance existing floodwater storage.

SEC. 3020. PETALUMA RIVER, PETALUMA, CALIFORNIA.

The project for flood damage reduction, Petaluma River, Petaluma, California, authorized by section 112 of the Water Resources Development Act of 2000 (114 Stat. 2587), is modified to authorize the Secretary to construct the project at a total cost of $41,500,000, with an estimated Federal cost of $26,975,000 and an estimated non-Federal cost of $14,525,000.

SEC. 3021. PINE FLAT DAM FISH AND WILDLIFE HABITAT, CALIFORNIA.

(a) COOPERATIVE PROGRAM.—

(1) IN GENERAL.—The Secretary shall participate with appropriate State and local agencies in the implementation of a cooperative program to improve and manage fisheries and aquatic habitat conditions in Pine Flat Reservoir and in the 14-mile reach of the Kings River immediately below Pine Flat Dam, California, in a manner that—

(A) provides for long-term aquatic resource enhancement; and

(B) avoids adverse effects on water storage and water rights holders.

(2) GOALS AND PRINCIPLES.—The cooperative program described in paragraph (1) shall be carried out—

(A) substantially in accordance with the goals and principles of the document entitled ''Kings River Fisheries Management Program Framework Agreement'' and dated May 29, 1999, between the California Department of Fish and Game and the Kings River Water Association and the Kings River Conservation District; and

(B) in cooperation with the parties to that agreement.

(b) PARTICIPATION BY SECRETARY.—

(1) IN GENERAL.—In furtherance of the goals of the agreement described in subsection (a)(2), the Secretary shall participate in the planning, design, and construction of projects and pilot projects on the Kings River and its tributaries to enhance aquatic habitat and water availability for fisheries purposes (including maintenance of a trout fishery) in accordance with flood control operations, water rights, and beneficial uses in existence as of the date of enactment of this Act.

(2) PROJECTS.—Projects referred to in paragraph (1) may include—

(A) projects to construct or improve pumping, conveyance, and storage facilities to enhance water transfers; and

(B) projects to carry out water exchanges and create opportunities to use floodwater within and downstream of Pine Flat Reservoir.

(c) NO AUTHORIZATION OF CERTAIN DAM-RELATED PROJECTS.—Nothing in this section authorizes any project for the raising of Pine Flat

Dam or the construction of a multilevel intake structure at Pine Flat Dam.

(d) USE OF EXISTING STUDIES.—In carrying out this section, the Secretary shall use, to the maximum extent practicable, studies in existence on the date of enactment of this Act, including data and environmental documentation in the document entitled ''Final Feasibility Report and Report of the Chief of Engineers for Pine Flat Dam Fish and Wildlife Habitat Restoration'' and dated July 19, 2002.

(e) COST SHARING.—

(1) PROJECT PLANNING, DESIGN, AND CONSTRUCTION.—The Federal share of the cost of planning, design, and construction of a project under subsection (b) shall be 65 percent.

(2) NON-FEDERAL SHARE.—

(A) CREDIT FOR LAND, EASEMENTS, AND RIGHTS-OF-WAY.—The Secretary shall credit toward the non-Federal share of the cost of construction of any project under subsection (b) the value, regardless of the date of acquisition, of any land, easements, rights-of-way, dredged material disposal areas, or relocations provided by the non-Federal interest for use in carrying out the project.

(B) FORM.—The non-Federal interest may provide not more than 50 percent of the non-Federal share required under this clause in the form of services, materials, supplies, or other in-kind contributions.

(f) OPERATION AND MAINTENANCE.—The operation, maintenance, repair, rehabilitation, and replacement of projects carried out under this section shall be a non-Federal responsibility.

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $20,000,000, to remain available until expended.

SEC. 3022. REDWOOD CITY NAVIGATION PROJECT, CALIFORNIA.

The Secretary may dredge the Redwood City Navigation Channel, California, on an annual basis, to maintain the authorized depth of –30 mean lower low water.

SEC. 3023. SACRAMENTO AND AMERICAN RIVERS FLOOD CONTROL, CALIFORNIA.

(a) CREDIT FOR NON-FEDERAL WORK.—

(1) IN GENERAL.—The Secretary shall provide credit to the Sacramento Area Flood Control Agency, in the amount of $20,503,000, for the nonreimbursed Federal share of costs incurred by the Agency in connection with the project for flood control and recreation, Sacramento and American Rivers, California (Natomas Levee features), authorized by section 9159 of the Department of Defense Appropriations Act, 1993 (106 Stat. 1944).

(2) ALLOCATION OF CREDIT.—The Secretary shall allocate the amount to be credited under paragraph (1) toward the non-Federal share of such projects as are requested by the Sacramento Area Flood Control Agency.

(3) NO REIMBURSEMENT.—An amount credited under this subsection shall not be available for reimbursement.

(b) PROJECT FOR FLOOD CONTROL.—

(1) IN GENERAL.—The project for flood control, American and Sacramento Rivers, California, authorized by section 101(a)(6)(A) of the Water Resources Development Act of 1999 (113 Stat. 274), as modified by section 128 of the Energy and Water Development Appropriations Act, 2006 (119 Stat. 2259), is further modified to authorize the Secretary to construct the auxiliary spillway generally in accordance with the Post Authorization Change Report, American River Watershed Project (Folsom Dam Modification and Folsom Dam Raise Projects), dated March 2007, at a total cost of $683,000,000, with an estimated Federal cost of $444,000,000 and an estimated non-Federal cost of $239,000,000.

(2) DAM SAFETY.—Nothing in this section limits the authority of the Secretary of the Interior to carry out dam safety activities in connection with the auxiliary spillway in accordance with the Bureau of Reclamation Safety of Dams Program.

(3) TRANSFER OF FUNDS.—

(A) IN GENERAL.—The Secretary and the Secretary of the Interior are authorized to transfer between the Department of the Army and the Department of the Interior appropriated amounts and other available funds (including funds contributed by non-Federal interests) for the purpose of planning, design, and construction of the auxiliary spillway.

(B) TERMS AND CONDITIONS.—Any transfer made pursuant to this subsection shall be subject to such terms and conditions as may be agreed on by the Secretary and the Secretary of the Interior.

SEC. 3024. SACRAMENTO RIVER BANK PROTECTION PROJECT, CALIFORNIA.

Section 202 of the River Basin Monetary Authorization Act of 1974 (88 Stat. 49) is amended by striking ''and the monetary authorization'' and all that follows through the end of the section and inserting ''except that the lineal feet in the second phase shall be increased from 405,000 lineal feet to 485,000 lineal feet.''.

SEC. 3025. CONDITIONAL DECLARATION OF NONNAVIGABILITY, PORT OF SAN FRANCISCO, CALIFORNIA.

(a) CONDITIONAL DECLARATION OF NONNAVIGABILITY.—If the Secretary determines, in consultation with appropriate Federal and non-Federal entities, that projects proposed to be carried out by non-Federal entities within the portions of the San Francisco, California, waterfront described in subsection (b) are in the public interest, the portions shall be declared not to be navigable water of the United States for the purposes of section 9 of the Act of March 3, 1899 (33 U.S.C. 401), and the General Bridge Act of 1946 (33 U.S.C. 525 et seq.).

(b) PORTIONS OF WATERFRONT.—The portions of the San Francisco, California, waterfront referred to in subsection (a) are those that are, or will be, bulkheaded, filled, or otherwise occupied by permanent structures and that are located as follows: beginning at the intersection of the northeasterly prolongation of the portion of the northwesterly line of Bryant Street lying between Beale Street and Main Street with the southwesterly line of Spear Street, which intersection lies on the line of jurisdiction of the San Francisco Port Commission; following thence southerly along said line of jurisdiction as described in the State of California Harbor and Navigation Code Section 1770, as amended in 1961, to its intersection with the easterly line of Townsend Street along a line that is parallel and distant 10 feet from the existing southern boundary of Pier 40 to its point of intersection with the United States Government pier-head line; thence northerly along said pier-head line to its intersection with a line parallel with, and distant 10 feet easterly from, the existing easterly boundary line of Pier 30–32; thence northerly along said parallel line and its northerly prolongation, to a point of intersection with a line parallel with, and distant 10 feet northerly from, the existing northerly boundary of Pier 30–32, thence westerly along last said parallel line to its intersection with the United States Government pier-head line; to the northwesterly line of Bryan Street northwesterly; thence southwesterly along said northwesterly line of Bryant Street to the point of beginning.

(c) REQUIREMENT THAT AREA BE IMPROVED.—If, by the date that is 20 years after the date of enactment of this Act, any portion of the San Francisco, California, waterfront described in subsection (b) has not been bulkheaded, filled, or otherwise occupied by 1 or more permanent structures, or if work in connection with any activity carried out pursuant to applicable Federal law requiring a permit, including sections 9 and 10 of the Act of March 3, 1899 (33 U.S.C. 401), is not commenced by the date that is 5 years after the date of issuance of such a permit, the declaration of nonnavigability for the portion under this section shall cease to be effective.

SEC. 3026. SALTON SEA RESTORATION, CALIFORNIA.

(a) DEFINITIONS.—In this section:

(1) SALTON SEA AUTHORITY.—The term ''Salton Sea Authority'' means the Joint Powers Authority established under the laws of the State of California by a joint power agreement signed on June 2, 1993.

(2) SALTON SEA SCIENCE OFFICE.—The term ''Salton Sea Science Office'' means the Office established by the United States Geological Survey and currently located in La Quinta, California.

(b) PILOT PROJECTS.—

(1) IN GENERAL.—

(A) REVIEW.—The Secretary shall review the preferred restoration concept plan approved by the Salton Sea Authority to determine whether the pilot projects are economically justified, technically sound, environmentally acceptable, and meet the objectives of the Salton Sea Reclamation Act (Public Law 105–372).

(B) IMPLEMENTATION.—If the Secretary determines that the pilot projects meet the requirements of subparagraph (A), the Secretary may enter into an agreement with the Salton Sea Authority and, in consultation with the Salton Sea Science Office, carry out pilot projects for improvement of the environment in the area of the Salton Sea, except that the Secretary shall be a party to each contract for construction under this subsection.

(2) LOCAL PARTICIPATION.—In prioritizing pilot projects under this section, the Secretary shall—

(A) consult with the Salton Sea Authority and the Salton Sea Science Office; and

(B) consider the priorities of the Salton Sea Authority.

(3) COST SHARING.—Before carrying out a pilot project under this section, the Secretary shall enter into a written agreement with the Salton Sea Authority that requires the non-Federal interest to—

(A) pay 35 percent of the total costs of the pilot project;

(B) provide any land, easements, rights-of-way, relocations, and dredged material disposal areas necessary to carry out the pilot project; and

(C) hold the United States harmless from any claim or damage that may arise from carrying out the pilot project, except any claim or damage that may arise from the negligence of the Federal Government or a contractor of the Federal Government.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out subsection (b) $30,000,000, of which not more than $5,000,000 may be used for any 1 pilot project under this section.

SEC. 3027. SANTA BARBARA STREAMS, LOWER MISSION CREEK, CALIFORNIA.

The project for flood damage reduction, Santa Barbara Streams, Lower Mission Creek, California, authorized by section 101(b)(8) of the Water Resources Development Act of 2000 (114 Stat. 2577), is modified to authorize the Secretary to construct the project at a total cost of $30,000,000, with an estimated Federal cost of $15,000,000 and an estimated non-Federal cost of $15,000,000.

SEC. 3028. UPPER GUADALUPE RIVER, CALIFORNIA.

The project for flood damage reduction and recreation, Upper Guadalupe River, California, authorized by section 101(a)(9) of the Water Resources Development Act of 1999 (113 Stat. 275), is modified to authorize the Secretary to construct the project generally in accordance with the Upper Guadalupe River Flood Damage Reduction, San Jose, California, Limited Reevaluation Report, dated March, 2004, at a total cost of $244,500,000, with an estimated Federal cost of $130,600,000 and an estimated non-Federal cost of $113,900,000.

SEC. 3029. YUBA RIVER BASIN PROJECT, CALIFORNIA.

The project for flood damage reduction, Yuba River Basin, California, authorized by section 101(a)(10) of the Water Resources Development Act of 1999 (113 Stat. 275), is modified to authorize the Secretary to construct the project at a total cost of $107,700,000, with an estimated Federal cost of $70,000,000 and an estimated non-Federal cost of $37,700,000.

SEC. 3030. CHARLES HERVEY TOWNSHEND BREAKWATER, NEW HAVEN HARBOR, CONNECTICUT.

The western breakwater for the project for navigation, New Haven Harbor, Connecticut, authorized by the first section of the Act of September 19, 1890 (26 Stat. 426), shall be known and designated as the ''Charles Hervey Townshend Breakwater''.

SEC. 3031. ANCHORAGE AREA, NEW LONDON HARBOR, CONNECTICUT.

(a) IN GENERAL.—The portion of the project for navigation, New London Harbor, Connecticut, authorized by the Act of June 13, 1902 (32 Stat. 333), that consists of a 23-foot waterfront channel described in subsection (b), is deauthorized.

(b) DESCRIPTION OF CHANNEL.—The channel referred to in subsection (a) may be described as beginning at a point along the western limit of the existing project, N. 188, 802.75, E. 779, 462.81, thence running northeasterly about 1,373.88 feet to a point N. 189, 554.87, E. 780, 612.53, thence running southeasterly about 439.54 feet to a point N. 189, 319.88, E. 780, 983.98, thence running southwesterly about 831.58 feet to a point N. 188, 864.63, E. 780, 288.08, thence running southeasterly about 567.39 feet to a point N. 188, 301.88, E. 780, 360.49, thence running northwesterly about 1,027.96 feet to the point of origin.

SEC. 3032. NORWALK HARBOR, CONNECTICUT.

(a) IN GENERAL.—The portions of a 10-foot channel of the project for navigation, Norwalk Harbor, Connecticut, authorized by the first section of the Act of March 2, 1919 (40 Stat. 1276) and described in subsection (b), are not authorized.

(b) DESCRIPTION OF PORTIONS.—The portions of the channel referred to in subsection (a) are as follows:

(1) RECTANGULAR PORTION.—An approximately rectangular-shaped section along the northwesterly terminus of the channel. The section is 35-feet wide and about 460-feet long and is further described as commencing at a point N. 104,165.85, E. 417,662.71, thence running south 24°06′55″ E. 395.00 feet to a point N. 103,805.32, E. 417,824.10, thence running south 00°38′06″ E. 87.84 feet to a point N. 103,717.49, E. 417,825.07, thence running north 24°06′55″ W. 480.00 feet, to a point N. 104,155.59, E. 417.628.96, thence running north 73°05′25″ E. 35.28 feet to the point of origin.

(2) PARALLELOGRAM-SHAPED PORTION.—An area having the approximate shape of a parallelogram along the northeasterly portion of the channel, southeast of the area described in paragraph (1), approximately 20 feet wide and 260 feet long, and further described as commencing at a point N. 103,855.48, E. 417,849.99, thence running south 33°07′30″ E. 133.40 feet to a point N. 103,743.76, E. 417,922.89, thence running south 24°07′04″ E. 127.75 feet to a point N. 103,627.16, E. 417,975.09, thence running north 33°07′30″ W. 190.00 feet to a point N. 103,786.28, E. 417,871.26, thence running north 17°05′15″ W. 72.39 feet to the point of origin.

(c) MODIFICATION.—The 10-foot channel portion of the Norwalk Harbor, Connecticut navigation project described in subsection (a) is modified to authorize the Secretary to realign the channel to include, immediately north of the area described in subsection (b)(2), a triangular section described as commencing at a point N. 103,968.35, E. 417,815.29, thence running S. 17°05′15″ east 118.09 feet to a point N. 103,855.48, E. 417,849.99, thence running N. 33°07′30″ west 36.76 feet to a point N. 103,886.27, E. 417,829.90, thence running N. 10°05′26″ west 83.37 feet to the point of origin.

SEC. 3033. ST. GEORGE'S BRIDGE, DELAWARE.

Section 102(g) of the Water Resources Development Act of 1990 (104 Stat. 4612) is amended by adding at the end the following: ''The Secretary shall assume ownership responsibility for the replacement bridge not later than the date on which the construction of the bridge is completed and the contractors are released of their responsibility by the State. In addition, the Secretary may not carry out any action to close or remove the St. George's Bridge, Delaware, without specific congressional authorization.''.

SEC. 3034. ADDITIONAL PROGRAM AUTHORITY, COMPREHENSIVE EVERGLADES RESTORATION, FLORIDA.

Section 601(c)(3) of the Water Resources Development Act of 2000 (114 Stat. 2684) is amended by adding at the end the following:

''(C) MAXIMUM COST OF PROGRAM AUTHORITY.—Section 902 of the Water Resources Development Act of 1986 (33 U.S.C. 2280) shall apply to the individual project funding limits in subparagraph (A) and the aggregate cost limits in subparagraph (B).''.

SEC. 3035. BREVARD COUNTY, FLORIDA.

(a) IN GENERAL.—The project for shoreline protection, Brevard County, Florida, authorized by section 418 of the Water Resources Development Act of 2000 (114 Stat. 2637), is amended by striking ''7.1-mile reach'' and inserting ''7.6-mile reach''.

(b) REFERENCES.—Any reference to a 7.1-mile reach with respect to the project described in subsection (a) shall be considered to be a reference to a 7.6-mile reach with respect to that project.

SEC. 3036. CRITICAL RESTORATION PROJECTS, EVERGLADES AND SOUTH FLORIDA ECOSYSTEM RESTORATION, FLORIDA.

Section 528(b)(3)(C) of the Water Resources Development Act of 1996 (110 Stat. 3769) is amended—

(1) in clause (i), by striking ''$75,000,000'' and all that follows and inserting ''$95,000,000.''; and

(2) by striking clause (ii) and inserting the following:

''(ii) FEDERAL SHARE.—

''(I) IN GENERAL.—Except as provided in subclause (II), the Federal share of the cost of carrying out a project under subparagraph (A) shall not exceed $25,000,000.

''(II) SEMINOLE WATER CONSERVATION PLAN.—The Federal share of the cost of carrying out the Seminole Water Conservation Plan shall not exceed $30,000,000.''.

SEC. 3037. LAKE OKEECHOBEE AND HILLSBORO AQUIFER PILOT PROJECTS, COMPREHENSIVE EVERGLADES RESTORATION, FLORIDA.

Section 601(b)(2)(B) of the Water Resources Development Act of 2000 (114 Stat. 2681) is amended by adding at the end the following:

''(v) HILLSBORO AND OKEECHOBEE AQUIFER, FLORIDA.—The pilot projects for aquifer storage and recovery, Hillsboro and Okeechobee Aquifer, Florida, authorized by section 101(a)(16) of the Water Resources Development Act of 1999 (113 Stat. 276), shall be treated for the purposes of this section as being in the Plan and carried out in accordance with this section, except that costs of operation and maintenance of those projects shall remain 100 percent non-Federal.''.

SEC. 3038. LIDO KEY, SARASOTA COUNTY, FLORIDA.

The Secretary shall carry out the project for hurricane and storm damage reduction in Lido Key, Sarasota County, Florida, based on the report of the Chief of Engineers dated December 22, 2004, at a total cost of $14,809,000, with an estimated Federal cost of $9,088,000 and an estimated non-Federal cost of $5,721,000, and at an estimated total cost $63,606,000 for periodic beach nourishment over the 50-year life of the project, with an estimated Federal cost of $31,803,000 and an estimated non-Federal cost of $31,803,000.

SEC. 3039. PORT SUTTON CHANNEL, TAMPA HARBOR, FLORIDA.

The project for navigation, Port Sutton Channel, Tampa Harbor, Florida, authorized by section 101(b)(12) of the Water Resources Development Act of 2000 (114 Stat. 2577), is modified to authorize the Secretary to carry out the project at a total cost of $12,900,000.

SEC. 3040. TAMPA HARBOR, CUT B, TAMPA, FLORIDA.

The project for navigation, Tampa Harbor, Florida, authorized by section 101 of the River and Harbor Act of 1970 (84 Stat. 1818), is modified to authorize the Secretary to construct passing lanes in an area approximately 3.5 miles long and centered on Tampa Bay Cut B, if the Secretary determines that the improvements are necessary for navigation safety.

SEC. 3041. ALLATOONA LAKE, GEORGIA.

(a) LAND EXCHANGE.—

(1) IN GENERAL.—The Secretary may exchange land above 863 feet in elevation at Allatoona Lake, Georgia, identified in the Real Estate Design Memorandum prepared by the Mobile district engineer, April 5, 1996, and approved October 8, 1996, for land on the north side of Allatoona Lake that is required for wildlife management and protection of the water quality and overall environment of Allatoona Lake.

(2) TERMS AND CONDITIONS.—The basis for all land exchanges under this subsection shall be a fair market appraisal to ensure that land exchanged is of equal value.

(b) DISPOSAL AND ACQUISITION OF LAND, ALLATOONA LAKE, GEORGIA.—

(1) IN GENERAL.—The Secretary may—

(A) sell land above 863 feet in elevation at Allatoona Lake, Georgia, identified in the memorandum referred to in subsection (a)(1); and

(B) use the proceeds of the sale, without further appropriation, to pay costs associated with the purchase of land required for wildlife management and protection of the water quality and overall environment of Allatoona Lake.

(2) TERMS AND CONDITIONS.—

(A) WILLING SELLERS.—Land acquired under this subsection shall be by negotiated purchase from willing sellers only.

(B) BASIS.—The basis for all transactions under this subsection shall be a fair market value appraisal acceptable to the Secretary.

(C) SHARING OF COSTS.—Each purchaser of land under this subsection shall share in the associated environmental and real estate costs of the purchase, including surveys and associated fees in accordance with the memorandum referred to in subsection (a)(1).

(D) OTHER CONDITIONS.—The Secretary may impose on the sale and purchase of land under this subsection such other conditions as the Secretary determines to be appropriate.

(c) REPEAL.—Section 325 of the Water Resources Development Act of 1992 (106 Stat. 4849) is repealed.

SEC. 3042. DWORSHAK RESERVOIR IMPROVEMENTS, IDAHO.

(a) IN GENERAL.—The Secretary shall carry out additional general construction measures to allow for operation at lower pool levels to satisfy the recreation mission at Dworshak Dam, Idaho.

(b) IMPROVEMENTS.—In carrying out subsection (a), the Secretary shall provide for appropriate improvements to—

(1) facilities that are operated by the Corps of Engineers; and

(2) facilities that, as of the date of enactment of this Act, are leased, permitted, or licensed for use by others.

(c) COST SHARING.—The Secretary shall carry out this section through a cost-sharing program with Idaho State Parks and Recreation Department, with a total estimated project cost of

$5,300,000, with an estimated Federal cost of $3,900,000 and an estimated non-Federal cost of $1,400,000.

SEC. 3043. LITTLE WOOD RIVER, GOODING, IDAHO.

The project for flood control, Gooding, Idaho, as constructed under the emergency conservation work program established under the Act of March 31, 1933 (16 U.S.C. 585 et seq.), is modified—

(1) to direct the Secretary to rehabilitate the Gooding Channel Project for the purposes of flood control and ecosystem restoration, if the Secretary determines that the rehabilitation and ecosystem restoration is feasible;

(2) to authorize and direct the Secretary to plan, design, and construct the project at a total cost of $9,000,000;

(3) to authorize the non-Federal interest to provide any portion of the non-Federal share of the cost of the project in the form of services, materials, supplies, or other in-kind contributions;

(4) to authorize the non-Federal interest to use funds made available under any other Federal program toward the non-Federal share of the cost of the project if the use of the funds is permitted under the other Federal program; and

(5) to direct the Secretary, in calculating the non-Federal share of the cost of the project, to make a determination under section 103(m) of the Water Resources Development Act of 1986 (33 U.S.C. 2213(m)) on the ability to pay of the non-Federal interest.

SEC. 3044. PORT OF LEWISTON, IDAHO.

(a) EXTINGUISHMENT OF REVERSIONARY INTERESTS AND USE RESTRICTIONS.—With respect to property covered by each deed described in subsection (b)—

(1) the reversionary interests and use restrictions relating to port and industrial use purposes are extinguished;

(2) the restriction that no activity shall be permitted that will compete with services and facilities offered by public marinas is extinguished;

(3) the human habitation or other building structure use restriction is extinguished in each area in which the elevation is above the standard project flood elevation; and

(4) the use of fill material to raise low areas above the standard project flood elevation is authorized, except in any low area constituting wetland for which a permit under section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344) is required.

(b) DEEDS.—The deeds referred to in subsection (a) are as follows:

(1) Auditor's Instrument No. 399218 of Nez Perce County, Idaho, 2.07 acres.

(2) Auditor's Instrument No. 487437 of Nez Perce County, Idaho, 7.32 acres.

(c) NO EFFECT ON OTHER RIGHTS.—Nothing in this section affects the remaining rights and interests of the Corps of Engineers for authorized project purposes with respect to property covered by deeds described in subsection (b).

SEC. 3045. CACHE RIVER LEVEE, ILLINOIS.

The Cache River Levee created for flood control at the Cache River, Illinois, and authorized by the Act of June 28, 1938 (52 Stat. 1215, chapter 795), is modified to add environmental restoration as a project purpose.

SEC. 3046. CHICAGO, ILLINOIS.

Section 425(a) of the Water Resources Development Act of 2000 (114 Stat. 2638) is amended by inserting ''Lake Michigan and'' before ''the Chicago River''.

SEC. 3047. CHICAGO RIVER, ILLINOIS.

The Federal navigation channel for the North Branch Channel portion of the Chicago River authorized by section 22 of the Act of March 3, 1899 (30 Stat. 1156, chapter 425), extending from 100 feet downstream of the Halsted Street Bridge to 100 feet upstream of the Division Street Bridge, Chicago, Illinois, is redefined to be no wider than 66 feet.

SEC. 3048. ILLINOIS RIVER BASIN RESTORATION.

Section 519 of the Water Resources Development Act of 2000 (114 Stat. 2654) is amended—

(1) in subsection (c)(3), by striking ''$5,000,000'' and inserting ''$20,000,000''; and

(2) by adding at the end the following:

''(h) COOPERATION.—In carrying out this section, the Secretary may enter into cooperative agreements, including with the State of Illinois, academic institutions, units of local governments, and soil and water conservation districts, to facilitate more efficient partnerships in developing and implementing the Illinois River Basin Restoration Program.''.

SEC. 3049. MISSOURI AND ILLINOIS FLOOD PROTECTION PROJECTS RECONSTRUCTION PILOT PROGRAM.

(a) DEFINITION OF RECONSTRUCTION.—In this section:

(1) IN GENERAL.—The term ''reconstruction'' means any action taken to address 1 or more major deficiencies of a project caused by long-term degradation of the foundation, construction materials, or engineering systems or components of the project, the results of which render the project at risk of not performing in compliance with the authorized purposes of the project.

(2) INCLUSIONS.—The term ''reconstruction'' includes the incorporation by the Secretary of current design standards and efficiency improvements in a project if the incorporation does not significantly change the authorized scope, function, or purpose of the project.

(b) PARTICIPATION BY SECRETARY.—The Secretary may participate in the reconstruction of flood control projects within Missouri and Illinois as a pilot program if the Secretary determines that such reconstruction is not required as a result of improper operation and maintenance by the non-Federal interest.

(c) COST SHARING.—

(1) IN GENERAL.—Costs for reconstruction of a project under this section shall be shared by the Secretary and the non-Federal interest in the same percentages as the costs of construction of the original project were shared.

(2) OPERATION, MAINTENANCE, AND REPAIR COSTS.—The costs of operation, maintenance, repair, and rehabilitation of a project carried out under this section shall be a non-Federal responsibility.

(d) CRITICAL PROJECTS.—In carrying out this section, the Secretary shall give priority to the following projects:

(1) Clear Creek Drainage and Levee District, Illinois.

(2) Fort Chartres and Ivy Landing Drainage District, Illinois.

(3) Wood River Drainage and Levee District, Illinois.

(4) City of St. Louis, Missouri.

(5) Missouri River Levee Drainage District, Missouri.

(e) ECONOMIC JUSTIFICATION.—Reconstruction efforts and activities carried out under this section shall not require economic justification.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $50,000,000, to remain available until expended.

SEC. 3050. SPUNKY BOTTOM, ILLINOIS.

(a) IN GENERAL.—The project for flood control, Illinois and Des Plaines River Basin, between Beardstown, Illinois, and the mouth of the Illinois River, authorized by section 5 of the Act of June 22, 1936 (49 Stat. 1583, chapter 688), is modified to authorize ecosystem restoration as a project purpose.

(b) MODIFICATIONS.—

(1) IN GENERAL.—Subject to paragraph (2), notwithstanding the limitation on the expenditure of Federal funds to carry out project modifications in accordance with section 1135 of the Water Resources Development Act of 1986 (33 U.S.C. 2309a), modifications to the project referred to in subsection (a) shall be carried out at Spunky Bottoms, Illinois, in accordance with subsection (a).

(2) FEDERAL SHARE.—Not more than $7,500,000 in Federal funds may be expended under this section to carry out modifications to the project referred to in subsection (a).

(3) POST-CONSTRUCTION MONITORING AND MANAGEMENT.—Of the Federal funds expended under paragraph (2), not less than $500,000 shall remain available for a period of 5 years after the date of completion of construction of the modifications for use in carrying out post-construction monitoring and adaptive management.

(c) EMERGENCY REPAIR ASSISTANCE.—Notwithstanding any modifications carried out under subsection (b), the project described in subsection (a) shall remain eligible for emergency repair assistance under section 5 of the Act of August 18, 1941 (33 U.S.C. 701n), without consideration of economic justification.

SEC. 3051. STRAWN CEMETERY, JOHN REDMOND LAKE, KANSAS.

(a) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary, acting through the Tulsa District of the Corps of Engineers, shall transfer to Pleasant Township, Coffey County, Kansas, for use as the New Strawn Cemetery, all right, title, and interest of the United States in and to the land described in subsection (c).

(b) REVERSION.—If the land transferred under this section ceases at any time to be used as a nonprofit cemetery or for another public purpose, the land shall revert to the United States.

(c) DESCRIPTION.—The land to be conveyed under this section is a tract of land near John Redmond Lake, Kansas, containing approximately 3 acres and lying adjacent to the west line of the Strawn Cemetery located in the SE corner of the NE¼ of sec. 32, T. 20 S., R. 14 E., Coffey County, Kansas.

(d) CONSIDERATION.—

(1) IN GENERAL.—The conveyance under this section shall be at fair market value.

(2) COSTS.—All costs associated with the conveyance shall be paid by Pleasant Township, Coffey County, Kansas.

(e) OTHER TERMS AND CONDITIONS.—The conveyance under this section shall be subject to such other terms and conditions as the Secretary considers necessary to protect the interests of the United States.

SEC. 3052. MILFORD LAKE, MILFORD, KANSAS.

(a) IN GENERAL.—Subject to subsections (b) and (c), the Secretary shall convey at fair market value by quitclaim deed to the Geary County Fire Department, Milford, Kansas, all right, title, and interest of the United States in and to a parcel of land consisting of approximately 7.4 acres located in Geary County, Kansas, for construction, operation, and maintenance of a fire station.

(b) SURVEY TO OBTAIN LEGAL DESCRIPTION.—The exact acreage and the description of the real property referred to in subsection (a) shall be determined by a survey that is satisfactory to the Secretary.

(c) REVERSION.—If the Secretary determines that the property conveyed under subsection (a) ceases to be held in public ownership or to be used for any purpose other than a fire station, all right, title, and interest in and to the property shall revert to the United States, at the option of the United States.

SEC. 3053. OHIO RIVER BASIN COMPREHENSIVE PLAN.

The Secretary is authorized to conduct a comprehensive, basin-wide plan of the Ohio River Basin to identify the investments and reinvestments in system components that would be necessary and advisable—

(1) to ensure protection of lives and property in the area of the Basin; and

(2) to sustain the purposes (including flood damage reduction, ecosystem restoration and protection, water supply, recreation, and related purposes) for which the Basin system was developed.

SEC. 3054. HICKMAN BLUFF STABILIZATION, KENTUCKY.

The project for Hickman Bluff, Kentucky, authorized by chapter II of title II of the Emergency Supplemental Appropriations and Rescissions for the Department of Defense to Preserve and Enhance Military Readiness Act of 1995 (109 Stat. 85), is modified to authorize the Secretary to repair and restore the project, at full Federal expense, with no further economic studies or analyses, at a total cost of not more than $250,000.

SEC. 3055. MCALPINE LOCK AND DAM, KENTUCKY AND INDIANA.

Section 101(a)(10) of the Water Resources Development Act of 1990 (104 Stat. 4606) is amended by striking ''$219,600,000'' each place it appears and inserting ''$430,000,000''.

SEC. 3056. PUBLIC ACCESS, ATCHAFALAYA BASIN FLOODWAY SYSTEM, LOUISIANA.

(a) IN GENERAL.—The public access feature of the Atchafalaya Basin Floodway System, Louisiana project, authorized by section 601(a) of the Water Resources Development Act of 1986 (100 Stat. 4142), is modified to authorize the Secretary to acquire from willing sellers the fee interest (exclusive of oil, gas, and minerals) of an additional 20,000 acres of land in the Lower Atchafalaya Basin Floodway for the public access feature of the Atchafalaya Basin Floodway System, Louisiana project.

(b) MODIFICATION.—

(1) IN GENERAL.—Subject to paragraph (2), effective beginning November 17, 1986, the public access feature of the Atchafalaya Basin Floodway System, Louisiana project, is modified to remove the $32,000,000 limitation on the maximum Federal expenditure for the first costs of the public access feature.

(2) FIRST COST.—The authorized first cost of $250,000,000 for the total project (as defined in section 601(a) of the Water Resources Development Act of 1986 (100 Stat. 4142)) shall not be exceeded, except as authorized by section 902 of that Act (100 Stat. 4183).

(c) TECHNICAL AMENDMENT.—Section 315(a)(2) of the Water Resources Development Act of 2000 (114 Stat. 2603) is amended by inserting before the period at the end the following: ''and may include Eagle Point Park, Jeanerette, Louisiana, as 1 of the alternative sites''.

SEC. 3057. REGIONAL VISITOR CENTER, ATCHAFALAYA BASIN FLOODWAY SYSTEM, LOUISIANA.

(a) PROJECT FOR FLOOD CONTROL.—Notwithstanding paragraph (3) of the report of the Chief of Engineers dated February 28, 1983 (relating to recreational development in the Lower Atchafalaya Basin Floodway), the Secretary shall carry out the project for flood control, Atchafalaya Basin Floodway System, Louisiana, authorized by chapter IV of title I of the Act of August 15, 1985 (Public Law 99–88; 99 Stat. 313; 100 Stat. 4142).

(b) VISITORS CENTER.—

(1) IN GENERAL.—The Secretary, acting through the Chief of Engineers and in consultation with the State of Louisiana, shall study, design, and construct a type A regional visitors center in the vicinity of Morgan City, Louisiana.

(2) COST SHARING.—

(A) IN GENERAL.—The cost of construction of the visitors center shall be shared in accordance with the recreation cost-share requirement under section 103(c) of the Water Resources Development Act of 1986 (33 U.S.C. 2213(c)).

(B) COST OF UPGRADING.—The non-Federal share of the cost of upgrading the visitors center from a type B to type A regional visitors center shall be 100 percent.

(3) AGREEMENT.—The project under this subsection shall be initiated only after the Secretary and the non-Federal interests enter into a binding agreement under which the non-Federal interests shall—

(A) provide any land, easement, right-of-way, or dredged material disposal area required for the project that is owned, claimed, or controlled by—

(i) the State of Louisiana (including agencies and political subdivisions of the State); or

(ii) any other non-Federal government entity authorized under the laws of the State of Louisiana;

(B) pay 100 percent of the cost of the operation, maintenance, repair, replacement, and rehabilitation of the project; and

(C) hold the United States free from liability for the construction, operation, maintenance, repair, replacement, and rehabilitation of the project, except for damages due to the fault or negligence of the United States or a contractor of the United States.

(4) DONATIONS.—In carrying out the project under this subsection, the Mississippi River Commission may accept the donation of cash or other funds, land, materials, and services from any non-Federal government entity or nonprofit corporation, as the Commission determines to be appropriate.

SEC. 3058. CALCASIEU RIVER AND PASS, LOUISIANA.

The project for the Calcasieu River and Pass, Louisiana, authorized by section 101 of the River and Harbor Act of 1960 (74 Stat. 481), is modified to authorize the Secretary to provide $3,000,000 for each fiscal year, in a total amount of $15,000,000, for such rock bank protection of the Calcasieu River from mile 5 to mile 16 as the Chief of Engineers determines to be advisable to reduce maintenance dredging needs and facilitate protection of valuable disposal areas for the Calcasieu River and Pass, Louisiana.

SEC. 3059. EAST BATON ROUGE PARISH, LOUISIANA.

The project for flood damage reduction and recreation, East Baton Rouge Parish, Louisiana, authorized by section 101(a)(21) of the Water Resources Development Act of 1999 (113 Stat. 277), as amended by section 116 of the Consolidated Appropriations Resolution, 2003 (117 Stat. 140), is modified to authorize the Secretary to carry out the project substantially in accordance with the Report of the Chief of Engineers dated December 23, 1996, and the subsequent Post Authorization Change Report dated December 2004, at a total cost of $178,000,000.

SEC. 3060. MISSISSIPPI RIVER GULF OUTLET RELOCATION ASSISTANCE, LOUISIANA.

(a) PORT FACILITIES RELOCATION.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $75,000,000, to remain available until expended, to support the relocation of Port of New Orleans deep draft facilities from the Mississippi River Gulf Outlet (referred to in this section as the ''Outlet''), the Gulf Intercoastal Waterway, and the Inner Harbor Navigation Canal to the Mississippi River.

(2) ADMINISTRATION.—

(A) IN GENERAL.—Amounts appropriated pursuant to paragraph (1) shall be administered by the Assistant Secretary for Economic Development (referred to in this section as the ''Assistant Secretary'') pursuant to sections 209(c)(2) and 703 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3149(c)(2), 3233).

(B) REQUIREMENT.—The Assistant Secretary shall make amounts appropriated pursuant to paragraph (1) available to the Port of New Orleans to relocate to the Mississippi River within the State of Louisiana the port-owned facilities that are occupied by businesses in the vicinity that may be impacted due to the treatment of the Outlet under the analysis and design of comprehensive hurricane protection authorized by title I of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103; 119 Stat. 2247).

(b) REVOLVING LOAN FUND GRANTS.—There is authorized to be appropriated to the Assistant Secretary $85,000,000, to remain available until expended, to provide assistance pursuant to sections 209(c)(2) and 703 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3149(c)(2), 3233) to 1 or more eligible recipients to establish revolving loan funds to make loans for terms up to 20 years at or below market interest rates (including interest-free loans) to private businesses within the Port of New Orleans that may need to relocate to the Mississippi River within the State of Louisiana due to the treatment of the Outlet under the analysis and design of comprehensive hurricane protection authorized by title I of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103; 119 Stat. 2247).

(c) COORDINATION WITH SECRETARY.—The Assistant Secretary shall ensure that the programs described in subsections (a) and (b) are fully coordinated with the Secretary to ensure that facilities are relocated in a manner that is consistent with the analysis and design of comprehensive hurricane protection authorized by title I of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103; 119 Stat. 2247).

(d) ADMINISTRATIVE EXPENSES.—The Assistant Secretary may use up to 2 percent of the amounts made available under subsections (a) and (b) for administrative expenses.

SEC. 3061. RED RIVER (J. BENNETT JOHNSTON) WATERWAY, LOUISIANA.

The project for mitigation of fish and wildlife losses, Red River Waterway, Louisiana, authorized by section 601(a) of the Water Resources Development Act of 1986 (100 Stat. 4142) and modified by section 4(h) of the Water Resources Development Act of 1988 (102 Stat. 4016), section 102(p) of the Water Resources Development Act of 1990 (104 Stat. 4613), section 301(b)(7) of the Water Resources Development Act of 1996 (110 Stat. 3710), and section 316 of the Water Resources Development Act of 2000 (114 Stat. 2604), is further modified—

(1) to authorize the Secretary to carry out the project at a total cost of $33,200,000;

(2) to permit the purchase of marginal farmland for reforestation (in addition to the purchase of bottomland hardwood); and

(3) to incorporate wildlife and forestry management practices to improve species diversity on mitigation land that meets habitat goals and objectives of the Corps of Engineers and the State of Louisiana.

SEC. 3062. CAMP ELLIS, SACO, MAINE.

The maximum amount of Federal funds that may be expended for the project being carried out under section 111 of the River and Harbor Act of 1968 (33 U.S.C. 426i) for the mitigation of shore damages attributable to the project for navigation, Camp Ellis, Saco, Maine, shall be $25,000,000.

SEC. 3063. ROCKLAND HARBOR, MAINE.

As of the date of enactment of this Act, the portion of the project for navigation, Rockland Harbor, Maine, authorized by the Act of June 3, 1896 (29 Stat. 202, chapter 314), consisting of a 14-foot channel located in Lermond Cove and beginning at a point with coordinates N. 99977.37, E. 340290.02, thence running easterly about 200.00 feet to a point with coordinates N. 99978.49, E. 340490.02, thence running northerly about 138.00 feet to a point with coordinates N. 100116.49, E. 340289.25, thence running westerly about 200.00 feet to a point with coordinates N. 100115.37, E. 340289.25, thence running southerly about 138.00 feet to the point of origin, is not authorized.

SEC. 3064. ROCKPORT HARBOR, MAINE.

(a) IN GENERAL.—The portion of the project for navigation, Rockport Harbor, Maine, authorized by the first section of the Act of August 11, 1888 (25 Stat. 400), located within the 12-foot anchorage described in subsection (b) is not authorized.

(b) DESCRIPTION OF ANCHORAGE.—The anchorage referred to in subsection (a) is more particularly described as—

(1) beginning at the westernmost point of the anchorage at N. 128800.00, E. 349311.00;

(2) thence running north 12 degrees, 52 minutes, 37.2 seconds, east 127.08 feet to a point at N. 128923.88, E349339.32;

(3) thence running north 17 degrees, 40 minutes, 13.0 seconds, east 338.61 feet to a point at N. 129246.51, E/ 349442.10;

(4) thence running south 89 degrees, 21 minutes, 21.0 seconds, east 45.36 feet to a point at N. 129246.00, E. 349487.46;

(5) thence running south 44 degrees, 13 minutes, 32.6 seconds, east 18.85 feet to a point at N. 129232.49, E. 349500.61;

(6) thence running south 17 degrees, 40 minutes 13.0 seconds, west 340.50 feet to a point at N. 128908.06, E. 349397.25;

(7) thence running south 12 degrees, 52 minutes, 37.2 seconds, west 235.41 feet to a point at N. 128678.57, E. 349344.79; and

(8) thence running north 15 degrees, 32 minutes, 59.3 seconds, west 126.04 feet to the point of origin.

SEC. 3065. SACO RIVER, MAINE.

The portion of the project for navigation, Saco River, Maine, authorized under section 107 of the River and Harbor Act of 1960 (74 Stat. 486), and described as a 6-foot deep, 10-acre maneuvering basin located at the head of navigation, is redesignated as an anchorage area.

SEC. 3066. UNION RIVER, MAINE.

The project for navigation, Union River, Maine, authorized by the first section of the Act of June 3, 1896 (29 Stat. 215, chapter 314), is modified by redesignating as an anchorage area that portion of the project consisting of a 6-foot turning basin and lying northerly of a line commencing at a point N. 315,975.13, E. 1,004,424.86, thence running N. 61°27'20.71" W. about 132.34 feet to a point N. 316,038.37, E. 1,004,308.61.

SEC. 3067. BALTIMORE HARBOR AND CHANNELS, MARYLAND AND VIRGINIA.

(a) IN GENERAL.—Notwithstanding section 1001(b)(2) of the Water Resources Development Act of 1986 (33 U.S.C. 579a(b)(2)), the project for navigation, Baltimore Harbor and Channels, Maryland and Virginia, authorized by section 101 of the River and Harbor Act of 1970 (84 Stat. 1818), shall remain authorized to be carried out by the Secretary.

(b) LIMITATION.—The project described in subsection (a) shall not be authorized for construction after the last day of the 5-year period beginning on the date of enactment of this Act, unless, during that period, funds have been obligated for the construction (including planning and design) of the project.

SEC. 3068. CHESAPEAKE BAY ENVIRONMENTAL RESTORATION AND PROTECTION PROGRAM, MARYLAND, PENNSYLVANIA, AND VIRGINIA.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 510 of the Water Resources Development Act of 1996 (110 Stat. 3759) is amended—

(1) in subsection (a)(1), by striking ''pilot'';

(2) in subsection (d)(2), by adding at the end the following:

''(C) IN-KIND SERVICES.—The non-Federal share of the project costs of a partnership agreement entered into under this section may include in-kind services.'';

(3) by striking subsection (f) and inserting the following:

''(f) PROJECTS.—The Secretary may carry out projects under this section in the States of Delaware, New York, Maryland, Pennsylvania, Virginia, and West Virginia, and the District of Columbia.''; and

(4) in subsection (i), by striking ''$10,000,000'' and inserting ''$30,000,000''.

(b) NONNATIVE OYSTER SPECIES.—The matter under the heading ''CONSTRUCTION, GENERAL'' under the heading ''CORPS OF ENGINEERS–CIVIL'' under the heading ''DEPARTMENT OF THE ARMY'' of title I of the Energy and Water Development Appropriations Act, 2004 (Public Law 108–137; 117 Stat. 1828) is amended in the twenty-first proviso by striking ''$2,000,000'' and inserting ''$3,500,000''.

SEC. 3069. FLOOD PROTECTION PROJECT, CUMBERLAND, MARYLAND.

Section 580(a) of the Water Resources Development Act of 1999 (113 Stat. 375) is amended—

(1) by striking ''$15,000,000'' and inserting ''$25,750,000'';

(2) by striking ''$9,750,000'' and inserting ''$16,378,000''; and

(3) by striking ''$5,250,000'' and inserting ''$9,012,000''.

SEC. 3070. AUNT LYDIA'S COVE, MASSACHUSETTS.

(a) DEAUTHORIZATION.—The portion of the project for navigation, Aunt Lydia's Cove, Massachusetts, authorized August 31, 1994, pursuant to section 107 of the Act of July 14, 1960 (33 U.S.C. 577) (commonly known as the ''River and Harbor Act of 1960''), consisting of the 8-foot deep anchorage in the cove described in subsection (b) is deauthorized.

(b) DESCRIPTION.—The portion of the project described in subsection (a) is more particularly described as the portion beginning at a point along the southern limit of the existing project, N. 254332.00, E. 1023103.96, thence running northwesterly about 761.60 feet to a point along the western limit of the existing project N. 255076.84, E. 1022945.07, thence running southwesterly about 38.11 feet to a point N. 255038.99, E. 1022940.60, thence running southeasterly about 267.07 feet to a point N. 254772.00, E. 1022947.00, thence running southeasterly about 462.41 feet to a point N. 254320.06, E. 1023044.84, thence running northeasterly about 60.31 feet to the point of origin.

SEC. 3071. FALL RIVER HARBOR, MASSACHUSETTS AND RHODE ISLAND.

(a) IN GENERAL.—Notwithstanding section 1001(b)(2) of the Water Resources Development Act of 1986 (33 U.S.C. 579a(b)(2)), the project for navigation, Fall River Harbor, Massachusetts and Rhode Island, authorized by section 101 of the River and Harbor Act of 1968 (82 Stat. 731), shall remain authorized to be carried out by the Secretary, except that the authorized depth of that portion of the project extending riverward of the Charles M. Braga, Jr. Memorial Bridge, Fall River and Somerset, Massachusetts, shall not exceed 35 feet.

(b) FEASIBILITY.—The Secretary shall conduct a study to determine the feasibility of deepening that portion of the navigation channel of the navigation project for Fall River Harbor, Massachusetts and Rhode Island, authorized by section 101 of the River and Harbor Act of 1968 (82 Stat. 731), seaward of the Charles M. Braga, Jr. Memorial Bridge Fall River and Somerset, Massachusetts.

(c) LIMITATION.—The project described in subsection (a) shall not be authorized for construction after the last day of the 5-year period beginning on the date of enactment of this Act unless, during that period, funds have been obligated for construction (including planning and design) of the project.

SEC. 3072. NORTH RIVER, PEABODY, MASSACHUSETTS.

The Secretary shall expedite completion of the report for the project North River, Peabody, Massachusetts, being carried out under section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s).

SEC. 3073. ECORSE CREEK, MICHIGAN.

(a) IN GENERAL.—Notwithstanding section 1001(b)(2) of the Water Resources Development Act of 1986 (33 U.S.C. 579a(b)(2)), the project for flood control, Ecorse Creek, Wayne County, Michigan, authorized by section 101(a)(14) of the Water Resources Development Act of 1990 (104 Stat. 4607) shall remain authorized to be carried out by the Secretary.

(b) LIMITATION.—A project described in subsection (a) shall not be authorized for construction after the last day of the 5-year period beginning on the date of enactment of this Act, unless, during that period, funds have been obligated for the construction (including planning and design) of the project.

SEC. 3074. ST. CLAIR RIVER AND LAKE ST. CLAIR, MICHIGAN.

Section 426 of the Water Resources Development Act of 1999 (113 Stat. 326) is amended to read as follows:

"SEC. 426. ST. CLAIR RIVER AND LAKE ST. CLAIR, MICHIGAN.

''(a) DEFINITIONS.—In this section:

''(1) MANAGEMENT PLAN.—The term 'management plan' means the management plan for the St. Clair River and Lake St. Clair, Michigan, that is in effect as of the date of enactment of this section.

''(2) PARTNERSHIP.—The term 'Partnership' means the partnership established by the Secretary under subsection (b)(1).

''(b) PARTNERSHIP.—

''(1) IN GENERAL.—The Secretary shall establish and lead a partnership of appropriate Federal agencies (including the Environmental Protection Agency) and the State of Michigan (including political subdivisions of the State)—

''(A) to promote cooperation among the Federal Government, State and local governments, and other involved parties in the management of the St. Clair River and Lake St. Clair watersheds; and

''(B) develop and implement projects consistent with the management plan.

''(2) COORDINATION WITH ACTIONS UNDER OTHER LAW.—

''(A) IN GENERAL.—Actions taken under this section by the Partnership shall be coordinated with actions to restore and conserve the St. Clair River and Lake St. Clair and watersheds taken under other provisions of Federal and State law.

''(B) NO EFFECT ON OTHER LAW.—Nothing in this section alters, modifies, or affects any other provision of Federal or State law.

''(c) IMPLEMENTATION OF ST. CLAIR RIVER AND LAKE ST. CLAIR MANAGEMENT PLAN.—

''(1) IN GENERAL.—The Secretary shall—

''(A) develop a St. Clair River and Lake St. Clair strategic implementation plan in accordance with the management plan;

''(B) provide technical, planning, and engineering assistance to non-Federal interests for developing and implementing activities consistent with the management plan;

''(C) plan, design, and implement projects consistent with the management plan; and

''(D) provide, in coordination with the Administrator of the Environmental Protection Agency, financial and technical assistance, including grants, to the State of Michigan (including political subdivisions of the State) and interested nonprofit entities for the planning, design, and implementation of projects to restore, conserve, manage, and sustain the St. Clair River, Lake St. Clair, and associated watersheds.

''(2) SPECIFIC MEASURES.—Financial and technical assistance provided under subparagraphs (B) and (C) of paragraph (1) may be used in support of non-Federal activities consistent with the management plan.

''(d) SUPPLEMENTS TO MANAGEMENT PLAN AND STRATEGIC IMPLEMENTATION PLAN.—In consultation with the Partnership and after providing an opportunity for public review and comment, the Secretary shall develop information to supplement—

''(1) the management plan; and

''(2) the strategic implementation plan developed under subsection (c)(1)(A).

''(e) COST SHARING.—

''(1) NON-FEDERAL SHARE.—The non-Federal share of the cost of technical assistance, or the cost of planning, design, construction, and evaluation of a project under subsection (c), and the cost of development of supplementary information under subsection (d)—

''(A) shall be 25 percent of the total cost of the project or development; and

''(B) may be provided through the provision of in-kind services.

''(2) CREDIT FOR LAND, EASEMENTS, AND RIGHTS-OF-WAY.—The Secretary shall credit the

non-Federal sponsor for the value of any land, easements, rights-of-way, dredged material disposal areas, or relocations provided for use in carrying out a project under subsection (c).

''(3) NONPROFIT ENTITIES.—Notwithstanding section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d–5b), a non-Federal sponsor for any project carried out under this section may include a nonprofit entity.

''(4) OPERATION AND MAINTENANCE.—The operation, maintenance, repair, rehabilitation, and replacement of projects carried out under this section shall be non-Federal responsibilities.

''(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $20,000,000.''.

SEC. 3075. DULUTH HARBOR, MINNESOTA.

(a) IN GENERAL.—Notwithstanding the cost limitation described in section 107(b) of the River and Harbor Act of 1960 (33 U.S.C. 577(b)), the Secretary shall carry out the project for navigation, Duluth Harbor, Minnesota, pursuant to the authority provided under that section at a total Federal cost of $9,000,000.

(b) PUBLIC ACCESS AND RECREATIONAL FACILITIES.—Section 321 of the Water Resources Development Act of 2000 (114 Stat. 2605) is amended by inserting '', and to provide public access and recreational facilities'' after ''including any required bridge construction''.

SEC. 3076. PROJECT FOR ENVIRONMENTAL ENHANCEMENT, MISSISSIPPI AND LOUISIANA ESTUARINE AREAS, MISSISSIPPI AND LOUISIANA.

(a) VIOLET DIVERSION PROJECT.—The Secretary shall redesign and implement the project for environmental enhancement, Mississippi and Louisiana Estuarine Areas, Mississippi and Louisiana, authorized by section 3(a)(8) of the Water Resources Development Act of 1988 (102 Stat. 4014), in lieu of diversion of freshwater at the Bonnet Carre Spillway using a diversion of water at or near Violet, Louisiana, if the following criteria can be met by the redesign:

(1) Achieve the salinity targets to at least the same extent as the diversion of freshwater at the Bonnet Carre Spillway for the Mississippi Sound identified in the feasibility study entitled ''Mississippi and Louisiana Estuarine areas: Freshwater Diversion to Lake Pontchartrain Basin and Mississippi Sound'' and dated 1984.

(2) Not delay the completion of the design and construction of the project beyond the dates identified in subsections (e) and (f).

(3) Not change the cost-share attributable to the Bonnet Carre Freshwater Diversion Project.

(b) DEFINITION.—For the purposes of this section, the term ''Bonnet Carre Freshwater Diversion Project'' is defined as the recommended alternative as described in the report of the Chief of Engineers for the project for environmental enhancement, Mississippi and Louisiana Estuarine Areas, Mississippi and Louisiana, May, 1986, and referenced in Public Law 104–303 and described in the Report to Congress on the Bonnet Carre Freshwater Diversion Project Status and Potential Options and Enhancement of December 1996.

(c) BONNET CARRE FRESHWATER DIVERSION PROJECT.—If the redesign in subsection (a) does not meet the criteria therein, the Secretary shall implement the Bonnet Carre Freshwater Diversion Project.

(d) NON-FEDERAL FINANCING REQUIREMENTS.—

(1) The States of Mississippi and Louisiana shall provide the funds needed during any fiscal year for meeting each State's respective non-Federal cost sharing requirements for the project for environmental enhancement, Mississippi and Louisiana Estuarine Areas, Mississippi and Louisiana, that fiscal year by making deposits of the necessary funds into an escrow account or into such other account as the Secretary determines to be acceptable. Any deposits required pursuant to this paragraph shall be made by the affected State within 30 days after receipt of notification from the Secretary that such funds are due.

(2) In the case of deposits required to be made by the State of Louisiana, the Secretary may not award any new contract or proceed to the next phase of any feature being carried out in the State of Louisiana pursuant to section 1003 if the State of Louisiana is not in compliance with paragraph (1).

(3) In the case of deposits required to be made by the State of Mississippi, the Secretary may not award any new contract or proceed to the next phase of any feature being carried out as a part of the project for environmental enhancement, Mississippi and Louisiana Estuarine Areas, Mississippi and Louisiana if the State of Mississippi is not in compliance with paragraph (1).

(4) The non-Federal share of project costs shall be allocated between the States of Mississippi and Louisiana as described in the Report to Congress on the Bonnet Carre Freshwater Diversion Project Status and Potential Options and Enhancement of December 1996.

(5) The modification of the project for environmental enhancement, Mississippi and Louisiana Estuarine Areas, Mississippi and Louisiana, by this section shall not reduce the percentage of the cost of the project that shall be paid by the Federal government as it was determined upon enactment of section 3(a)(8) of the Water Resources Development Act of 1988 (102 Stat. 4014).

(e) DESIGN SCHEDULE.—

(1) IN GENERAL.—Subject to the availability of appropriations, the Secretary shall complete the design of the project for environmental enhancement, Mississippi and Louisiana Estuarine Areas, Mississippi and Louisiana, not later than 2 years after the date of enactment of this Act.

(2) MISSED DEADLINE.—If the Secretary does not complete the design described in paragraph (1) by such date, the Secretary shall assign such resources as available and necessary to complete the design and the Secretary's authority to expend funds for travel, official receptions, and official representations is suspended until such design is complete.

(f) CONSTRUCTION SCHEDULE.—

(1) IN GENERAL.—Subject to the availability of appropriations, the Secretary shall complete construction of the project for environmental enhancement, Mississippi and Louisiana Estuarine Areas, Mississippi and Louisiana, not later than September 30, 2012.

(2) MISSED DEADLINE.—If the Secretary does not complete the construction described in paragraph (1) by such date, the Secretary shall assign such resources as available and necessary to complete the construction and the Secretary's authority to expend funds for travel, official receptions, and official representations is suspended until such construction is complete.

SEC. 3077. LAND EXCHANGE, PIKE COUNTY, MISSOURI.

(a) DEFINITIONS.—In this section:

(1) FEDERAL LAND.—The term ''Federal land'' means the 2 parcels of Corps of Engineers land totaling approximately 42 acres, located on Buffalo Island in Pike County, Missouri, and consisting of Government Tract Numbers MIS–7 and a portion of FM–46.

(2) NON-FEDERAL LAND.—The term ''non-Federal land'' means the approximately 42 acres of land, subject to any existing flowage easements situated in Pike County, Missouri, upstream and northwest, about 200 feet from Drake Island (also known as Grimes Island).

(b) LAND EXCHANGE.—Subject to subsection (c), on conveyance by S.S.S., Inc., to the United States of all right, title, and interest in and to the non-Federal land, the Secretary shall convey to S.S.S., Inc., all right, title, and interest of the United States in and to the Federal land.

(c) CONDITIONS.—

(1) DEEDS.—

(A) NON-FEDERAL LAND.—The conveyance of the non-Federal land to the Secretary shall be by a warranty deed acceptable to the Secretary.

(B) FEDERAL LAND.—The conveyance of the Federal land to S.S.S., Inc., shall be—

(i) by quitclaim deed; and

(ii) subject to any reservations, terms, and conditions that the Secretary determines to be necessary to allow the United States to operate and maintain the Mississippi River 9-Foot Navigation Project.

(C) LEGAL DESCRIPTIONS.—The Secretary shall, subject to approval of S.S.S., Inc., provide a legal description of the Federal land and non-Federal land for inclusion in the deeds referred to in subparagraphs (A) and (B).

(2) REMOVAL OF IMPROVEMENTS.—

(A) IN GENERAL.—The Secretary may require the removal of, or S.S.S., Inc., may voluntarily remove, any improvements to the non-Federal land before the completion of the exchange or as a condition of the exchange.

(B) NO LIABILITY.—If S.S.S., Inc., removes any improvements to the non-Federal land under subparagraph (A)—

(i) S.S.S., Inc., shall have no claim against the United States relating to the removal; and

(ii) the United States shall not incur or be liable for any cost associated with the removal or relocation of the improvements.

(3) ADMINISTRATIVE COSTS.—The Secretary shall require S.S.S., Inc. to pay reasonable administrative costs associated with the exchange.

(4) CASH EQUALIZATION PAYMENT.—If the appraised fair market value, as determined by the Secretary, of the Federal land exceeds the appraised fair market value, as determined by the Secretary, of the non-Federal land, S.S.S., Inc., shall make a cash equalization payment to the United States.

(5) DEADLINE.—The land exchange under subsection (b) shall be completed not later than 2 years after the date of enactment of this Act.

SEC. 3078. L–15 LEVEE, MISSOURI.

The portion of the L–15 levee system that is under the jurisdiction of the Consolidated North County Levee District and situated along the right descending bank of the Mississippi River from the confluence of that river with the Missouri River and running upstream approximately 14 miles shall be considered to be a Federal levee for purposes of cost sharing under section 5 of the Act of August 18, 1941 (33 U.S.C. 701n).

SEC. 3079. UNION LAKE, MISSOURI.

(a) IN GENERAL.—The Secretary shall offer to convey to the State of Missouri all right, title, and interest in and to approximately 205.50 acres of land described in subsection (b) purchased for the Union Lake Project that was deauthorized as of January 1, 1990 (55 Fed. Reg. 40906), in accordance with section 1001 of the Water Resources Development Act of 1986 (33 U.S.C. 579a(a)).

(b) LAND DESCRIPTION.—The land referred to in subsection (a) is described as follows:

(1) TRACT 500.—A tract of land situated in Franklin County, Missouri, being part of the SW¼ of sec. 7, and the NW¼ of the SW¼ of sec. 8, T. 42 N., R. 2 W. of the fifth principal meridian, consisting of approximately 112.50 acres.

(2) TRACT 605.—A tract of land situated in Franklin County, Missouri, being part of the N½ of the NE, and part of the SE of the NE of sec. 18, T. 42 N., R. 2 W. of the fifth principal meridian, consisting of approximately 93.00 acres.

(c) CONVEYANCE.—On acceptance by the State of Missouri of the offer by the Secretary under subsection (a), the land described in subsection (b) shall immediately be conveyed, in its current condition, by Secretary to the State of Missouri.

SEC. 3080. LOWER YELLOWSTONE PROJECT, MONTANA.

The Secretary may use funds appropriated to carry out the Missouri River recovery and mitigation program to assist the Bureau of Reclamation in the design and construction of the Lower Yellowstone project of the Bureau, Intake, Montana, for the purpose of ecosystem restoration.

SEC. 3081. YELLOWSTONE RIVER AND TRIBUTARIES, MONTANA AND NORTH DAKOTA.

(a) DEFINITION OF RESTORATION PROJECT.—In this section, the term ''restoration project'' means a project that will produce, in accordance with other Federal programs, projects, and activities, substantial ecosystem restoration and related benefits, as determined by the Secretary.

(b) PROJECTS.—The Secretary shall carry out, in accordance with other Federal programs, projects, and activities, restoration projects in the watershed of the Yellowstone River and tributaries in Montana, and in North Dakota, to produce immediate and substantial ecosystem restoration and recreation benefits.

(c) LOCAL PARTICIPATION.—In carrying out subsection (b), the Secretary shall—

(1) consult with, and consider the activities being carried out by—

(A) other Federal agencies;

(B) Indian tribes;

(C) conservation districts; and

(D) the Yellowstone River Conservation District Council; and

(2) seek the full participation of the State of Montana.

(d) COST SHARING.—Before carrying out any restoration project under this section, the Secretary shall enter into an agreement with the non-Federal interest for the restoration project under which the non-Federal interest shall agree—

(1) to provide 35 percent of the total cost of the restoration project, including necessary land, easements, rights-of-way, relocations, and disposal sites;

(2) to pay the non-Federal share of the cost of feasibility studies and design during construction following execution of a project cooperation agreement;

(3) to pay 100 percent of the operation, maintenance, repair, replacement, and rehabilitation costs incurred after the date of enactment of this Act that are associated with the restoration project; and

(4) to hold the United States harmless for any claim of damage that arises from the negligence of the Federal Government or a contractor of the Federal Government in carrying out the restoration project.

(e) FORM OF NON-FEDERAL SHARE.—Not more than 50 percent of the non-Federal share of the cost of a restoration project carried out under this section may be provided in the form of in-kind credit for work performed during construction of the restoration project.

(f) NON-FEDERAL INTERESTS.—Notwithstanding section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d–5b), with the consent of the applicable local government, a nonprofit entity may be a non-Federal interest for a restoration project carried out under this section.

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $30,000,000.

SEC. 3082. WESTERN SARPY AND CLEAR CREEK, NEBRASKA.

The project for ecosystem restoration and flood damage reduction, Western Sarpy and Clear Creek, Nebraska, authorized by section 101(b)(21) of the Water Resources Development Act of 2000 (114 Stat. 2578), is modified to authorize the Secretary to construct the project at a total cost of $21,664,000, with an estimated Federal cost of $14,082,000 and an estimated non-Federal cost of $7,582,000.

SEC. 3083. LOWER TRUCKEE RIVER, MCCARRAN RANCH, NEVADA.

The maximum amount of Federal funds that may be expended for the project being carried out, as of the date of enactment of this Act, under section 1135 of the Water Resources Development Act of 1986 (33 U.S.C. 2309a) for environmental restoration of McCarran Ranch, Nevada, shall be $5,775,000.

SEC. 3084. COOPERATIVE AGREEMENTS, NEW MEXICO.

The Secretary may enter into cooperative agreements with any Indian tribe any land of which is located in the State of New Mexico and occupied by a flood control project that is owned and operated by the Corps of Engineers to assist in carrying out any operation or maintenance activity associated with the flood control project.

SEC. 3085. MIDDLE RIO GRANDE RESTORATION, NEW MEXICO.

(a) RESTORATION PROJECTS.—

(1) DEFINITION.—The term ''restoration project'' means a project that will produce, consistent with other Federal programs, projects, and activities, immediate and substantial ecosystem restoration and recreation benefits.

(2) PROJECTS.—The Secretary shall carry out restoration projects in the Middle Rio Grande from Cochiti Dam to the headwaters of Elephant Butte Reservoir, in the State of New Mexico.

(b) PROJECT SELECTION.—The Secretary shall select restoration projects in the Middle Rio Grande.

(c) LOCAL PARTICIPATION.—In carrying out subsection (b), the Secretary shall consult with, and consider the activities being carried out by—

(1) the Middle Rio Grande Endangered Species Act Collaborative Program; and

(2) the Bosque Improvement Group of the Middle Rio Grande Bosque Initiative.

(d) COST SHARING.—

(1) PROJECTS ON FEDERAL LAND.—Each restoration project under this section located on Federal land shall be carried out at full Federal expense.

(2) OTHER PROJECTS.—For any restoration project located on non-Federal land, before carrying out the restoration project under this section, the Secretary shall enter into an agreement with non-Federal interests that requires the non-Federal interests to—

(A) provide 35 percent of the total cost of the restoration projects including provisions for necessary lands, easements, rights-of-way, relocations, and disposal sites;

(B) pay 100 percent of the operation, maintenance, repair, replacement, and rehabilitation costs incurred after the date of the enactment of this Act that are associated with the restoration projects; and

(C) hold the United States harmless for any claim of damage that arises from the negligence of the Federal Government or a contractor of the Federal Government.

(e) NON-FEDERAL INTERESTS.—Notwithstanding section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d–5b), a non-Federal interest for any project carried out under this section may include a nonprofit entity, with the consent of the local government.

(f) RECREATIONAL FEATURES.—

(1) IN GENERAL.—Subject to paragraph (2), any recreational feature included as part of a restoration project shall comprise not more than 30 percent of the cost of the restoration project.

(2) REQUIREMENT.—The cost of any recreational feature included as part of a restoration project in excess of the amount described in paragraph (1) shall be paid by the non-Federal interest.

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $25,000,000 to carry out this section.

SEC. 3086. LONG ISLAND SOUND OYSTER RESTORATION, NEW YORK AND CONNECTICUT.

(a) IN GENERAL.—The Secretary shall plan, design, and construct projects to increase aquatic habitats within Long Island Sound and adjacent waters, including the construction and restoration of oyster beds and related shellfish habitat.

(b) COST SHARING.—The non-Federal share of the cost of activities carried out under this section shall be 25 percent and may be provided through in-kind services and materials.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $25,000,000 to carry out this section.

SEC. 3087. MAMARONECK AND SHELDRAKE RIVERS WATERSHED MANAGEMENT, NEW YORK.

(a) WATERSHED MANAGEMENT PLAN DEVELOPMENT.—

(1) IN GENERAL.—The Secretary, in consultation with the State of New York and local entities, shall develop watershed management plans for the Mamaroneck and Sheldrake River watershed for the purposes of evaluating existing and new flood damage reduction and ecosystem restoration.

(2) EXISTING PLANS.—In developing the watershed management plans, the Secretary shall use existing studies and plans, as appropriate.

(b) CRITICAL RESTORATION PROJECTS.—

(1) IN GENERAL.—The Secretary may participate in any eligible critical restoration project in the Mamaroneck and Sheldrake Rivers watershed in accordance with the watershed management plan developed under subsection (a).

(2) ELIGIBLE PROJECTS.—A critical restoration project shall be eligible for assistance under this section if the project—

(A) meets the purposes described in the watershed management plan developed under subsection (a); and

(B) with respect to the Mamaroneck and Sheldrake Rivers watershed in New York, consists of flood damage reduction or ecosystem restoration—

(i) bank stabilization of the mainstem, tributaries, and streams;

(ii) wetland restoration;

(iii) soil and water conservation;

(iv) restoration of natural flows;

(v) restoration of stream stability;

(vi) structural and nonstructural flood damage reduction measures; or

(vii) any other project or activity the Secretary determines to be appropriate.

(c) COST SHARING.—The Federal share of the cost of implementing any project carried out under this section shall be 65 percent.

(d) NON-FEDERAL INTEREST.—A nonprofit organization may serve as the non-Federal interest for a project carried out under this section.

(e) COOPERATIVE AGREEMENTS.—In carrying out this section, the Secretary may enter into 1 or more cooperative agreements to provide financial assistance to appropriate Federal, State, or local governments or nonprofit agencies, including assistance for the implementation of projects to be carried out under subsection (b).

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $30,000,000, to remain available until expended.

SEC. 3088. ORCHARD BEACH, BRONX, NEW YORK.

Section 554 of the Water Resources Development Act of 1996 (110 Stat. 3781) is amended by striking ''$5,200,000'' and inserting ''$18,200,000''.

SEC. 3089. NEW YORK HARBOR, NEW YORK, NEW YORK.

Section 217 of the Water Resources Development Act of 1996 (33 U.S.C. 2326a) is amended—

(1) by redesignating subsection (c) as subsection (d);

(2) by inserting after subsection (b) the following:

''(c) DREDGED MATERIAL FACILITY.—

''(1) IN GENERAL.—The Secretary may enter into cost-sharing agreements with 1 or more non-Federal public interests with respect to a project, or group of projects within a geographic region, if appropriate, for the acquisition, design, construction, management, or operation of a dredged material processing, treatment, contaminant reduction, or disposal facility (including any facility used to demonstrate potential beneficial uses of dredged material, which may include effective sediment contaminant reduction technologies) using funds provided in whole or in part by the Federal Government.

''(2) PERFORMANCE.—One or more of the parties to the agreement may perform the acquisition, design, construction, management, or operation of a dredged material processing, treatment, contaminant reduction, or disposal facility.

''(3) MULTIPLE FEDERAL PROJECTS.—If appropriate, the Secretary may combine portions of separate Federal projects with appropriate combined cost-sharing between the various projects, if the facility serves to manage dredged material from multiple Federal projects located in the geographic region of the facility.

''(4) PUBLIC FINANCING.—

''(A) AGREEMENTS.—

''(i) SPECIFIED FEDERAL FUNDING SOURCES AND COST SHARING.—The cost-sharing agreement used shall clearly specify—

''(I) the Federal funding sources and combined cost-sharing when applicable to multiple Federal navigation projects; and

''(II) the responsibilities and risks of each of the parties related to present and future dredged material managed by the facility.

''(ii) MANAGEMENT OF SEDIMENTS.—

''(I) IN GENERAL.—The cost-sharing agreement may include the management of sediments from the maintenance dredging of Federal navigation projects that do not have partnerships agreements.

''(II) PAYMENTS.—The cost-sharing agreement may allow the non-Federal interest to receive reimbursable payments from the Federal Government for commitments made by the non-Federal interest for disposal or placement capacity at dredged material treatment, processing, contaminant reduction, or disposal facilities.

''(iii) CREDIT.—The cost-sharing agreement may allow costs incurred prior to execution of a partnership agreement for construction or the purchase of equipment or capacity for the project to be credited according to existing cost-sharing rules.

''(B) CREDIT.—

''(i) EFFECT ON EXISTING AGREEMENTS.—Nothing in this subsection supersedes or modifies an agreement in effect on the date of enactment of this paragraph between the Federal Government and any other non-Federal interest for the cost-sharing, construction, and operation and maintenance of a Federal navigation project.

''(ii) CREDIT FOR FUNDS.—Subject to the approval of the Secretary and in accordance with law (including regulations and policies) in effect on the date of enactment of this paragraph, a non-Federal public interest of a Federal navigation project may seek credit for funds provided for the acquisition, design, construction, management, or operation of a dredged material processing, treatment, or disposal facility to the extent the facility is used to manage dredged material from the Federal navigation project.

''(iii) NON-FEDERAL INTEREST RESPONSIBILITIES.—The non-Federal interest shall—

''(I) be responsible for providing all necessary land, easement rights-of-way, or relocations associated with the facility; and

''(II) receive credit for those items.''; and

(3) in paragraphs (1) and (2)(A) of subsection (d) (as redesignated by paragraph (1))—

(A) by inserting ''and maintenance'' after ''operation'' each place it appears; and

(B) by inserting ''processing, treatment, or'' after ''dredged material'' the first place it appears in each of those paragraphs.

SEC. 3090. NEW YORK STATE CANAL SYSTEM.

Section 553 of the Water Resources Development Act of 1996 (110 Stat. 3781) is amended by striking subsection (c) and inserting the following:

''(c) DEFINITION OF NEW YORK STATE CANAL SYSTEM.—In this section, the term 'New York State Canal System' means the 524 miles of navigable canal that comprise the New York State Canal System, including the Erie, Cayuga-Seneca, Oswego, and Champlain Canals and the historic alignments of these canals, including the cities of Albany, Rochester, and Buffalo.''.

SEC. 3091. SUSQUEHANNA RIVER AND UPPER DELAWARE RIVER WATERSHED MANAGEMENT, NEW YORK.

(a) WATERSHED MANAGEMENT PLAN DEVELOPMENT.—

(1) IN GENERAL.—The Secretary, in consultation with the State of New York, the Delaware or Susquehanna River Basin Commission, as appropriate, and local entities, shall develop watershed management plans for the Susquehanna River watershed in New York State and the Upper Delaware River watershed for the purposes of evaluating existing and new flood damage reduction and ecosystem restoration.

(2) EXISTING PLANS.—In developing the watershed management plans, the Secretary shall use existing studies and plans, as appropriate.

(b) CRITICAL RESTORATION PROJECTS.—

(1) IN GENERAL.—The Secretary may participate in any eligible critical restoration project in the Susquehanna River or Upper Delaware Rivers in accordance with the watershed management plan developed under subsection (a).

(2) ELIGIBLE PROJECTS.—A critical restoration project shall be eligible for assistance under this section if the project—

(A) meets the purposes described in the watershed management plan developed under subsection (a); and

(B) with respect to the Susquehanna River or Upper Delaware River watershed in New York, consists of flood damage reduction or ecosystem restoration through—

(i) bank stabilization of the mainstem, tributaries, and streams;

(ii) wetland restoration;

(iii) soil and water conservation;

(iv) restoration of natural flows;

(v) restoration of stream stability;

(vi) structural and nonstructural flood damage reduction measures; or

(vii) any other project or activity the Secretary determines to be appropriate.

(c) COST SHARING.—The Federal share of the cost of implementing any project carried out under this section shall be 65 percent.

(d) NON-FEDERAL INTEREST.—A nonprofit organization may serve as the non-Federal interest for a project carried out under this section.

(e) COOPERATIVE AGREEMENTS.—In carrying out this section, the Secretary may enter into 1 or more cooperative agreements to provide financial assistance to appropriate Federal, State, or local governments or nonprofit agencies, including assistance for the implementation of projects to be carried out under subsection (b).

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $30,000,000, to remain available until expended.

SEC. 3092. MISSOURI RIVER RESTORATION, NORTH DAKOTA.

Section 707(a) of the Water Resources Act of 2000 (114 Stat. 2699) is amended in the first sentence by striking ''$5,000,000'' and all that follows through ''2005'' and inserting ''$25,000,000''.

SEC. 3093. OHIO.

Section 594 of the Water Resources Development Act of 1999 (113 Stat. 381) is amended by adding at the end the following:

''(h) NONPROFIT ENTITIES.—Notwithstanding section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d–5b), for any project carried out under this section, a non-Federal interest may include a nonprofit entity, with the consent of the affected local government.''.

SEC. 3094. LOWER GIRARD LAKE DAM, GIRARD, OHIO.

Section 507(1) of the Water Resources Development Act of 1996 (110 Stat. 3758) is amended—

(1) by striking ''$2,500,000'' and inserting ''$16,000,000''; and

(2) by striking ''Repair and rehabilitation'' and inserting ''Correct structural deficiencies''.

SEC. 3095. TOUSSAINT RIVER NAVIGATION PROJECT, CARROLL TOWNSHIP, OHIO.

Increased operation and maintenance activities for the Toussaint River Federal Navigation Project, Carroll Township, Ohio, that are carried out in accordance with section 107 of the River and Harbor Act of 1960 (33 U.S.C. 577) and relate directly to the presence of unexploded ordnance, shall be carried out at full Federal expense.

SEC. 3096. ARCADIA LAKE, OKLAHOMA.

Payments made by the city of Edmond, Oklahoma, to the Secretary in October 1999 of all costs associated with present and future water storage costs at Arcadia Lake, Oklahoma, under Arcadia Lake Water Storage Contract Number DACW56–79–C–0072 shall satisfy the obligations of the city under that contract.

SEC. 3097. LAKE EUFAULA, OKLAHOMA.

(a) PROJECT GOAL.—

(1) IN GENERAL.—The goal for operation of Lake Eufaula shall be to maximize the use of available storage in a balanced approach that incorporates advice from representatives from all the project purposes to ensure that the full value of the reservoir is realized by the United States.

(2) RECOGNITION OF PURPOSE.—To achieve the goal described in paragraph (1), recreation is recognized as a project purpose at Lake Eufaula, pursuant to the Act of December 22, 1944 (commonly known as the ''Flood Control Act of 1944'') (58 Stat. 887, chapter 665).

(b) LAKE EUFAULA ADVISORY COMMITTEE.—

(1) IN GENERAL.—In accordance with the Federal Advisory Committee Act (5 U.S.C. App.), the Secretary shall establish an advisory committee for the Lake Eufaula, Canadian River, Oklahoma project authorized by the Act of July 24, 1946 (commonly known as the ''River and Harbor Act of 1946'') (Public Law 79–525; 60 Stat. 634).

(2) PURPOSE.—The purpose of the committee shall be advisory only.

(3) DUTIES.—The committee shall provide information and recommendations to the Corps of Engineers regarding the operations of Lake Eufaula for the project purposes for Lake Eufaula.

(4) COMPOSITION.—The Committee shall be composed of members that equally represent the project purposes for Lake Eufaula.

(c) REALLOCATION STUDY.—

(1) IN GENERAL.—Subject to the appropriation of funds, the Secretary, acting through the Chief of Engineers, shall perform a reallocation study, at full Federal expense, to develop and present recommendations concerning the best value, while minimizing ecological damages, for current and future use of the Lake Eufaula storage capacity for the authorized project purposes of flood control, water supply, hydroelectric power, navigation, fish and wildlife, and recreation.

(2) FACTORS FOR CONSIDERATION.—The reallocation study shall take into consideration the recommendations of the Lake Eufaula Advisory Committee.

(d) POOL MANAGEMENT PLAN.—

(1) IN GENERAL.—Not later than 360 days after the date of enactment of this Act, to the extent feasible within available project funds and subject to the completion and approval of the reallocation study under subsection (c), the Tulsa District Engineer, taking into consideration recommendations of the Lake Eufaula Advisory Committee, shall develop an interim management plan that accommodates all project purposes for Lake Eufaula.

(2) MODIFICATIONS.—A modification of the plan under paragraph (1) shall not cause significant adverse impacts on any existing permit, lease, license, contract, public law, or project purpose, including flood control operation, relating to Lake Eufaula.

SEC. 3098. RELEASE OF REVERSIONARY INTEREST, OKLAHOMA.

(a) RELEASE.—Any reversionary interest relating to public parks and recreation on the land conveyed by the Secretary to the State of Oklahoma at Lake Texoma pursuant to the Act entitled ''An Act to authorize the sale of certain

lands to the State of Oklahoma'' (67 Stat. 63, chapter 118), shall terminate on the date of enactment of this Act.

(b) INSTRUMENT OF RELEASE.—As soon as practicable after the date of enactment of this Act, the Secretary shall execute and file in the appropriate office a deed of release, an amended deed, or another appropriate instrument to release each reversionary interest described in subsection (a).

(c) PRESERVATION OF RESERVED RIGHTS.—A release of a reversionary interest under this section shall not affect any other right of the United States in any deed of conveyance pursuant to the Act entitled ''An Act to authorize the sale of certain lands to the State of Oklahoma'' (67 Stat. 63, chapter 118).

SEC. 3099. OKLAHOMA LAKES DEMONSTRATION PROGRAM, OKLAHOMA.

(a) IMPLEMENTATION OF PROGRAM.—Not later than 1 year after the date of enactment of this Act, the Secretary shall implement an innovative program at the lakes located primarily in the State of Oklahoma that are a part of an authorized civil works project under the administrative jurisdiction of the Corps of Engineers for the purpose of demonstrating the benefits of enhanced recreation facilities and activities at those lakes.

(b) REQUIREMENTS.—In implementing the program under subsection (a), the Secretary shall, consistent with authorized project purposes—

(1) pursue strategies that will enhance, to the maximum extent practicable, recreation experiences at the lakes included in the program;

(2) use creative management strategies that optimize recreational activities; and

(3) ensure continued public access to recreation areas located on or associated with the civil works project.

(c) GUIDELINES.—Not later than 180 days after the date of enactment of this Act, the Secretary shall issue guidelines for the implementation of this section, to be developed in coordination with the State of Oklahoma.

(d) REPORT.—

(1) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, the Secretary shall submit to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report describing the results of the program under subsection (a).

(2) INCLUSIONS.—The report under paragraph (1) shall include a description of the projects undertaken under the program, including—

(A) an estimate of the change in any related recreational opportunities;

(B) a description of any leases entered into, including the parties involved; and

(C) the financial conditions that the Corps of Engineers used to justify those leases.

(3) AVAILABILITY TO PUBLIC.—The Secretary shall make the report available to the public in electronic and written formats.

(e) TERMINATION.—The authority provided by this section shall terminate on the date that is 10 years after the date of enactment of this Act.

SEC. 3100. OTTAWA COUNTY, OKLAHOMA.

(a) IN GENERAL.—There is authorized to be appropriated $30,000,000 for the purposes set forth in subsection (b).

(b) PURPOSES.—Notwithstanding any other provision of law, funds appropriated under subsection (a) may be used for the purpose of—

(1) the buy-out of properties and permanently relocating residents and businesses in or near Picher, Cardin, and Hockerville, Oklahoma, from areas determined by the State of Oklahoma to be at risk of damage caused by land subsidence and remaining properties; and

(2) providing funding to the State of Oklahoma to buyout properties and permanently relocate residents and businesses of Picher, Cardin, and Hockerville, Oklahoma, from areas determined by the State of Oklahoma to be at risk of damage caused by land subsidence and remaining properties.

(c) LIMITATION.—The use of funds in accordance with subsection (b) shall not be considered to be part of a Federally assisted program or project for purposes of Public Law 91–646 (42 U.S.C. 4601 et seq.), consistent with section 2301 of Public Law 109–234 (120 Stat. 455–456).

(d) CONSISTENCY WITH STATE PROGRAM.—Any actions taken under subsection (b) shall be consistent with the relocation program in the State of Oklahoma under 27A O.S. Supp. 2006, sections 2201 et seq.

(e) AMENDMENT.—Section 111 of Public Law 108–137 (117 Stat. 1835) is amended—

(1) by adding the following language at the end of subsection (a): ''Such activities also may include the provision of financial assistance to facilitate the buy out of properties located in areas identified by the State as areas that are or will be at risk of damage caused by land subsidence and associated properties otherwise identified by the State; however, any buyout of such properties shall not be considered to be part of a Federally assisted program or project for purposes of Public Law 91–646 (42 U.S.C. 4601 et seq.), consistent with section 2301 of Public Law 109–234 (120 Stat. 455–456).''; and

(2) by striking the first sentence of subsection (d) and inserting the following: ''Non-Federal interests shall be responsible for operating and maintaining any restoration alternatives constructed or carried out pursuant to this section.''.

SEC. 3101. RED RIVER CHLORIDE CONTROL, OKLAHOMA AND TEXAS.

Section 203 of the Flood Control Act of 1966 (80 Stat. 1420; 100 Stat. 4229) is further modified to direct the Secretary to provide operation and maintenance for the Red River Chloride Control project, Oklahoma and Texas, at full Federal expense.

SEC. 3102. WAURIKA LAKE, OKLAHOMA.

The remaining obligation of the Waurika Project Master Conservancy District payable to the United States Government in the amounts, rates of interest, and payment schedules—

(1) is set at the amounts, rates of interest, and payment schedules that existed on June 3, 1986; and

(2) may not be adjusted, altered, or changed without a specific, separate, and written agreement between the District and the United States.

SEC. 3103. LOOKOUT POINT PROJECT, LOWELL, OREGON.

(a) IN GENERAL.—Subject to subsection (c), the Secretary shall convey at fair market value to the Lowell School District No. 71, all right, title, and interest of the United States in and to a parcel consisting of approximately 0.98 acres of land, including 3 abandoned buildings on the land, located in Lowell, Oregon, as described in subsection (b).

(b) DESCRIPTION OF PROPERTY.—The parcel of land to be conveyed under subsection (a) is more particularly described as follows: Commencing at the point of intersection of the west line of Pioneer Street with the westerly extension of the north line of Summit Street, in Meadows Addition to Lowell, as platted and recorded on page 56 of volume 4, Lane County Oregon Plat Records; thence north on the west line of Pioneer Street a distance of 176.0 feet to the true point of beginning of this description; thence north on the west line of Pioneer Street a distance of 170.0 feet; thence west at right angles to the west line of Pioneer Street a distance of 250.0 feet; thence south and parallel to the west line of Pioneer Street a distance of 170.0 feet; and thence east 250.0 feet to the true point of beginning of this description in sec. 14, T. 19 S., R. 1 W. of the Willamette Meridian, Lane County, Oregon.

(c) CONDITION.—The Secretary shall not complete the conveyance under subsection (a) until such time as the Forest Service—

(1) completes and certifies that necessary environmental remediation associated with the structures located on the property is complete; and

(2) transfers the structures to the Corps of Engineers.

(d) EFFECT OF OTHER LAW.—

(1) APPLICABILITY OF PROPERTY SCREENING PROVISIONS.—Section 2696 of title 10, United States Code, shall not apply to any conveyance under this section.

(2) LIABILITY.—

(A) IN GENERAL.—Lowell School District No. 71 shall hold the United States harmless from any liability with respect to activities carried out on the property described in subsection (b) on or after the date of the conveyance under subsection (a).

(B) CERTAIN ACTIVITIES.—The United States shall be liable with respect to any activity carried out on the property described in subsection (b) before the date of conveyance under subsection (a).

SEC. 3104. UPPER WILLAMETTE RIVER WATERSHED ECOSYSTEM RESTORATION.

(a) IN GENERAL.—The Secretary shall conduct studies and ecosystem restoration projects for the upper Willamette River watershed from Albany, Oregon, to the headwaters of the Willamette River and tributaries.

(b) CONSULTATION.—The Secretary shall carry out ecosystem restoration projects under this section for the Upper Willamette River watershed in consultation with the Governor of the State of Oregon, the heads of appropriate Indian tribes, the Environmental Protection Agency, the United States Fish and Wildlife Service, the National Marine Fisheries Service, the Bureau of Land Management, the Forest Service, and local entities.

(c) AUTHORIZED ACTIVITIES.—In carrying out ecosystem restoration projects under this section, the Secretary shall undertake activities necessary to protect, monitor, and restore fish and wildlife habitat.

(d) COST SHARING REQUIREMENTS.—

(1) STUDIES.—Studies conducted under this section shall be subject to cost sharing in accordance with section 206 of the Water Resources Development Act of 1996 (33 U.S.C. 2330).

(2) ECOSYSTEM RESTORATION PROJECTS.—

(A) IN GENERAL.—Non-Federal interests shall pay 35 percent of the cost of any ecosystem restoration project carried out under this section.

(B) ITEMS PROVIDED BY NON-FEDERAL INTERESTS.—

(i) IN GENERAL.—Non-Federal interests shall provide all land, easements, rights-of-way, dredged material disposal areas, and relocations necessary for ecosystem restoration projects to be carried out under this section.

(ii) CREDIT TOWARD PAYMENT.—The value of the land, easements, rights-of-way, dredged material disposal areas, and relocations provided under paragraph (1) shall be credited toward the payment required under subsection (a).

(C) IN-KIND CONTRIBUTIONS.—100 percent of the non-Federal share required under subsection (a) may be satisfied by the provision of in-kind contributions.

(3) OPERATIONS AND MAINTENANCE.—Non-Federal interests shall be responsible for all costs associated with operating, maintaining, replacing, repairing, and rehabilitating all projects carried out under this section.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $15,000,000.

SEC. 3105. UPPER SUSQUEHANNA RIVER BASIN, PENNSYLVANIA AND NEW YORK.

Section 567 of the Water Resources Development Act of 1996 (110 Stat. 3787) is amended—

(1) by striking subsection (c) and inserting the following:

''(c) COOPERATION AGREEMENTS.—

''(1) IN GENERAL.—In conducting the study and implementing the strategy under this section, the Secretary shall enter into cost-sharing

and project cooperation agreements with the Federal Government, State and local governments (with the consent of the State and local governments), land trusts, or nonprofit, nongovernmental organizations with expertise in wetland restoration.

''(2) FINANCIAL ASSISTANCE.—Under the cooperation agreement, the Secretary may provide assistance for implementation of wetland restoration projects and soil and water conservation measures.''; and

(2) by striking subsection (d) and inserting the following:

''(d) IMPLEMENTATION OF STRATEGY.—

''(1) IN GENERAL.—The Secretary shall carry out the development, demonstration, and implementation of the strategy under this section in cooperation with local landowners, local government officials, and land trusts.

''(2) GOALS OF PROJECTS.—Projects to implement the strategy under this subsection shall be designed to take advantage of ongoing or planned actions by other agencies, local municipalities, or nonprofit, nongovernmental organizations with expertise in wetland restoration that would increase the effectiveness or decrease the overall cost of implementing recommended projects.''.

SEC. 3106. NARRAGANSETT BAY, RHODE ISLAND.

The Secretary may use amounts in the Environmental Restoration Account, Formerly Used Defense Sites, under section 2703(a)(5) of title 10, United States Code, for the removal of abandoned marine camels at any Formerly Used Defense Site under the jurisdiction of the Department of Defense that is undergoing (or is scheduled to undergo) environmental remediation under chapter 160 of title 10, United States Code (and other provisions of law), in Narragansett Bay, Rhode Island, in accordance with the Corps of Engineers prioritization process under the Formerly Used Defense Sites program.

SEC. 3107. SOUTH CAROLINA DEPARTMENT OF COMMERCE DEVELOPMENT PROPOSAL AT RICHARD B. RUSSELL LAKE, SOUTH CAROLINA.

(a) IN GENERAL.—The Secretary shall convey to the State of South Carolina, by quitclaim deed, all right, title, and interest of the United States in and to the parcels of land described in subsection (b)(1) that are managed, as of the date of enactment of this Act, by the South Carolina Department of Commerce for public recreation purposes for the Richard B. Russell Dam and Lake, South Carolina, project authorized by section 203 of the Flood Control Act of 1966 (80 Stat. 1420).

(b) LAND DESCRIPTION.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), the parcels of land referred to in subsection (a) are the parcels contained in the portion of land described in Army Lease Number DACW21–1–92–0500.

(2) RETENTION OF INTERESTS.—The United States shall retain—

(A) ownership of all land included in the lease referred to in paragraph (1) that would have been acquired for operational purposes in accordance with the 1971 implementation of the 1962 Army/Interior Joint Acquisition Policy; and

(B) such other land as is determined by the Secretary to be required for authorized project purposes, including easement rights-of-way to remaining Federal land.

(3) SURVEY.—The exact acreage and legal description of the land described in paragraph (1) shall be determined by a survey satisfactory to the Secretary, with the cost of the survey to be paid by the State.

(c) GENERAL PROVISIONS.—

(1) APPLICABILITY OF PROPERTY SCREENING PROVISIONS.—Section 2696 of title 10, United States Code, shall not apply to the conveyance under this section.

(2) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require that the conveyance under this section be subject to such additional terms and conditions as the Secretary considers appropriate to protect the interests of the United States.

(3) COSTS OF CONVEYANCE.—

(A) IN GENERAL.—The State shall be responsible for all costs, including real estate transaction and environmental compliance costs, associated with the conveyance under this section.

(B) FORM OF CONTRIBUTION.—As determined appropriate by the Secretary, in lieu of payment of compensation to the United States under subparagraph (A), the State may perform certain environmental or real estate actions associated with the conveyance under this section if those actions are performed in close coordination with, and to the satisfaction of, the United States.

(4) LIABILITY.—The State shall hold the United States harmless from any liability with respect to activities carried out, on or after the date of the conveyance, on the real property conveyed under this section.

(d) ADDITIONAL TERMS AND CONDITIONS.—

(1) IN GENERAL.—The State shall pay fair market value consideration, as determined by the United States, for any land included in the conveyance under this section.

(2) NO EFFECT ON SHORE MANAGEMENT POLICY.—The Shoreline Management Policy (ER–1130–2–406) of the Corps of Engineers shall not be changed or altered for any proposed development of land conveyed under this section.

(3) FEDERAL STATUTES.—The conveyance under this section shall be subject to the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) (including public review under that Act) and other Federal statutes.

(4) COST SHARING.—In carrying out the conveyance under this section, the Secretary and the State shall comply with all obligations of any cost sharing agreement between the Secretary and the State in effect as of the date of the conveyance.

(5) LAND NOT CONVEYED.—The State shall continue to manage the land not conveyed under this section in accordance with the terms and conditions of Army Lease Number DACW21–1–92–0500.

SEC. 3108. MISSOURI RIVER RESTORATION, SOUTH DAKOTA.

(a) MEMBERSHIP.—Section 904(b)(1)(B) of the Water Resources Development Act of 2000 (114 Stat. 2708) is amended—

(1) in clause (vii), by striking ''and'' at the end;

(2) by redesignating clause (viii) as clause (ix); and

(3) by inserting after clause (vii) the following:

''(viii) rural water systems; and''.

(b) REAUTHORIZATION.—Section 907(a) of the Water Resources Development Act of 2000 (114 Stat. 2712) is amended in the first sentence by striking ''2005'' and inserting ''2010''.

SEC. 3109. MISSOURI AND MIDDLE MISSISSIPPI RIVERS ENHANCEMENT PROJECT.

Section 514 of the Water Resources Development Act of 1999 (113 Stat. 343; 117 Stat. 142) is amended—

(1) by redesignating subsections (f) and (g) as subsections (h) and (i), respectively;

(2) in subsection (h) (as redesignated by paragraph (1)), by striking paragraph (1) and inserting the following:

''(1) NON-FEDERAL SHARE.—

''(A) IN GENERAL.—The non-Federal share of the cost of projects may be provided—

''(i) in cash;

''(ii) by the provision of land, easements, rights-of-way, relocations, or disposal areas;

''(iii) by in-kind services to implement the project; or

''(iv) by any combination of the foregoing.

''(B) PRIVATE OWNERSHIP.—Land needed for a project under this authority may remain in private ownership subject to easements that are—

''(i) satisfactory to the Secretary; and

''(ii) necessary to assure achievement of the project purposes.'';

(3) in subsection (i) (as redesignated by paragraph (1)), by striking ''for the period of fiscal years 2000 and 2001.'' and inserting ''per year, and that authority shall extend until Federal fiscal year 2011.''; and

(4) by inserting after subsection (e) the following:

''(f) NONPROFIT ENTITIES.—Notwithstanding section 221(b) of the Flood Control Act of 1970 (42 U.S.C. 1962d–5b(b)), for any project undertaken under this section, a non-Federal interest may include a regional or national nonprofit entity with the consent of the affected local government.

''(g) COST LIMITATION.—Not more than $5,000,000 in Federal funds may be allotted under this section for a project at any single locality.''

SEC. 3110. NONCONNAH WEIR, MEMPHIS, TENNESSEE.

The project for flood control, Nonconnah Creek, Tennessee and Mississippi, authorized by section 401 of the Water Resources Development Act of 1986 (100 Stat. 4124) and modified by the section 334 of the Water Resources Development Act of 2000 (114 Stat. 2611), is modified to authorize the Secretary—

(1) to reconstruct, at full Federal expense, the weir originally constructed in the vicinity of the mouth of Nonconnah Creek; and

(2) to make repairs and maintain the weir in the future so that the weir functions properly.

SEC. 3111. OLD HICKORY LOCK AND DAM, CUMBERLAND RIVER, TENNESSEE.

(a) RELEASE OF RETAINED RIGHTS, INTERESTS, RESERVATIONS.—With respect to land conveyed by the Secretary to the Tennessee Society of Crippled Children and Adults, Incorporated (commonly known as ''Easter Seals Tennessee'') at Old Hickory Lock and Dam, Cumberland River, Tennessee, under section 211 of the Flood Control Act of 1965 (79 Stat. 1087), the reversionary interests and the use restrictions relating to recreation and camping purposes are extinguished.

(b) INSTRUMENT OF RELEASE.—As soon as practicable after the date of enactment of this Act, the Secretary shall execute and file in the appropriate office a deed of release, amended deed, or other appropriate instrument effectuating the release of interests required by subsection (a).

(c) NO EFFECT ON OTHER RIGHTS.—Nothing in this section affects any remaining right or interest of the Corps of Engineers with respect to an authorized purpose of any project.

SEC. 3112. SANDY CREEK, JACKSON COUNTY, TENNESSEE.

(a) IN GENERAL.—The Secretary may carry out a project for flood damage reduction under section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s) at Sandy Creek, Jackson County, Tennessee, if the Secretary determines that the project is technically sound, environmentally acceptable, and economically justified.

(b) RELATIONSHIP TO WEST TENNESSEE TRIBUTARIES PROJECT, TENNESSEE.—Consistent with the report of the Chief of Engineers dated March 24, 1948, on the West Tennessee Tributaries project—

(1) Sandy Creek shall not be considered to be an authorized channel of the West Tennessee Tributaries Project; and

(2) the Sandy Creek flood damage reduction project shall not be considered to be part of the West Tennessee Tributaries Project.

SEC. 3113. CEDAR BAYOU, TEXAS.

Section 349(a)(2) of the Water Resources Development Act of 2000 (114 Stat. 2632) is amended by striking ''except that the project is authorized only for construction of a navigation channel 12 feet deep by 125 feet wide'' and inserting ''except that the project is authorized for construction of a navigation channel that is 10 feet deep by 100 feet wide''.

SEC. 3114. DENISON, TEXAS.

(a) IN GENERAL.—The Secretary shall offer to convey at fair market value to the city of

Denison, Texas (or a designee of the city), all right, title, and interest of the United States in and to the approximately 900 acres of land located in Grayson County, Texas, which is currently subject to an Application for Lease for Public Park and Recreational Purposes made by the city of Denison, dated August 17, 2005.

(b) SURVEY TO OBTAIN LEGAL DESCRIPTION.—The exact acreage and description of the real property referred to in subsection (a) shall be determined by a survey paid for by the city of Denison, Texas (or a designee of the city), that is satisfactory to the Secretary.

(c) CONVEYANCE.—On acceptance by the city of Denison, Texas (or a designee of the city), of an offer under subsection (a), the Secretary may immediately convey the land surveyed under subsection (b) by quitclaim deed to the city of Denison, Texas (or a designee of the city).

SEC. 3115. CENTRAL CITY, FORT WORTH, TEXAS.

For the purposes of achieving efficiencies, enhanced benefits, and complementary implementation, as compared with construction of the projects separately, the project for flood control and other purposes authorized by section 116 of division C of title I of the Consolidated Appropriations Act, 2005 (Public Law 108–447; 118 Stat. 2944), is modified to include the project for ecosystem restoration, as generally defined in the report of the report of the Chief of Engineers entitled ''Riverside Oxbow, Fort Worth, Texas'' and dated May 29, 2003, at a total cost of $247,110,000, with an estimated Federal cost of $121,210,000 and a non-Federal cost of $125,900,000.

SEC. 3116. FREEPORT HARBOR, TEXAS.

(a) IN GENERAL.—The project for navigation, Freeport Harbor, Texas, authorized by section 101 of the River and Harbor Act of 1970 (84 Stat. 1818), is modified to provide that—

(1) all project costs incurred as a result of the discovery of the sunken vessel COMSTOCK of the Corps of Engineers are a Federal responsibility; and

(2) the Secretary shall not seek further obligation or responsibility for removal of the vessel COMSTOCK, or costs associated with a delay due to the discovery of the sunken vessel COMSTOCK, from the Port of Freeport.

(b) COST SHARING.—This section does not affect the authorized cost sharing for the balance of the project described in subsection (a).

SEC. 3117. HARRIS COUNTY, TEXAS.

Section 575(b) of the Water Resources Development Act of 1996 (110 Stat. 3789; 113 Stat. 311) is amended—

(1) in paragraph (3), by striking ''and'' at the end;

(2) in paragraph (4), by striking the period at the end and inserting ''; and''; and

(3) by adding the following:

''(5) the project for flood control, Upper White Oak Bayou, Texas, authorized by section 401(a) of the Water Resources Development Act of 1986 (100 Stat. 4125).''.

SEC. 3118. CONNECTICUT RIVER RESTORATION, VERMONT.

Notwithstanding section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d–5b), with respect to the study entitled ''Connecticut River Restoration Authority'', dated May 23, 2001, a nonprofit entity may act as the non-Federal interest for purposes of carrying out the activities described in the agreement executed between The Nature Conservancy and the Department of the Army on August 5, 2005.

SEC. 3119. DAM REMEDIATION, VERMONT.

Section 543 of the Water Resources Development Act of 2000 (114 Stat. 2673) is amended—

(1) in subsection (a)—

(A) in paragraph (2), by striking ''and'' at the end;

(B) in paragraph (3), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(4) may carry out measures to restore, protect, and preserve an ecosystem affected by a dam described in subsection (b).''; and

(2) in subsection (b), by adding at the end the following:

''(11) Camp Wapanacki, Hardwick.

''(12) Star Lake Dam, Mt. Holly.

''(13) Curtis Pond, Calais.

''(14) Weathersfield Reservoir, Springfield.

''(15) Burr Pond, Sudbury.

''(16) Maidstone Lake, Guildhall.

''(17) Upper and Lower Hurricane Dam.

''(18) Lake Fairlee.

''(19) West Charleston Dam.''.

SEC. 3120. LAKE CHAMPLAIN EURASIAN MILFOIL, WATER CHESTNUT, AND OTHER NONNATIVE PLANT CONTROL, VERMONT.

Under authority of section 104 of the River and Harbor Act of 1958 (33 U.S.C. 610), the Secretary shall revise the existing General Design Memorandum to permit the use of chemical means of control, when appropriate, of Eurasian milfoil, water chestnuts, and other nonnative plants in the Lake Champlain basin, Vermont.

SEC. 3121. UPPER CONNECTICUT RIVER BASIN WETLAND RESTORATION, VERMONT AND NEW HAMPSHIRE.

(a) IN GENERAL.—The Secretary, in cooperation with the States of Vermont and New Hampshire, shall carry out a study and develop a strategy for the use of wetland restoration, soil and water conservation practices, and nonstructural measures to reduce flood damage, improve water quality, and create wildlife habitat in the Upper Connecticut River watershed.

(b) COST SHARING.—

(1) FEDERAL SHARE.—The Federal share of the cost of the study and development of the strategy under subsection (a) shall be 65 percent.

(2) NON-FEDERAL SHARE.—The non-Federal share of the cost of the study and development of the strategy may be provided through the contribution of in-kind services and materials.

(c) NON-FEDERAL INTEREST.—A nonprofit organization with wetland restoration experience may serve as the non-Federal interest for the study and development of the strategy under this section.

(d) COOPERATIVE AGREEMENTS.—In conducting the study and developing the strategy under this section, the Secretary may enter into 1 or more cooperative agreements to provide technical assistance to appropriate Federal, State, and local agencies and nonprofit organizations with wetland restoration experience, including assistance for the implementation of wetland restoration projects and soil and water conservation measures.

(e) IMPLEMENTATION.—The Secretary shall carry out development and implementation of the strategy under this section in cooperation with local landowners and local government officials.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000, to remain available until expended.

SEC. 3122. UPPER CONNECTICUT RIVER BASIN ECOSYSTEM RESTORATION, VERMONT AND NEW HAMPSHIRE.

(a) GENERAL MANAGEMENT PLAN DEVELOPMENT.—

(1) IN GENERAL.—The Secretary, in cooperation with the Secretary of Agriculture and in consultation with the States of Vermont and New Hampshire and the Connecticut River Joint Commission, shall conduct a study and develop a general management plan for ecosystem restoration of the Upper Connecticut River ecosystem for the purposes of—

(A) habitat protection and restoration;

(B) streambank stabilization;

(C) restoration of stream stability;

(D) water quality improvement;

(E) invasive species control;

(F) wetland restoration;

(G) fish passage; and

(H) natural flow restoration.

(2) EXISTING PLANS.—In developing the general management plan, the Secretary shall depend heavily on existing plans for the restoration of the Upper Connecticut River.

(b) CRITICAL RESTORATION PROJECTS.—

(1) IN GENERAL.—The Secretary may participate in any critical restoration project in the Upper Connecticut River Basin in accordance with the general management plan developed under subsection (a).

(2) ELIGIBLE PROJECTS.—A critical restoration project shall be eligible for assistance under this section if the project—

(A) meets the purposes described in the general management plan developed under subsection (a); and

(B) with respect to the Upper Connecticut River and Upper Connecticut River watershed, consists of—

(i) bank stabilization of the main stem, tributaries, and streams;

(ii) wetland restoration and migratory bird habitat restoration;

(iii) soil and water conservation;

(iv) restoration of natural flows;

(v) restoration of stream stability;

(vi) implementation of an intergovernmental agreement for coordinating ecosystem restoration, fish passage installation, streambank stabilization, wetland restoration, habitat protection and restoration, or natural flow restoration;

(vii) water quality improvement;

(viii) invasive species control;

(ix) wetland restoration and migratory bird habitat restoration;

(x) improvements in fish migration; and

(xi) conduct of any other project or activity determined to be appropriate by the Secretary.

(c) COST SHARING.—The Federal share of the cost of any project carried out under this section shall not be less than 65 percent.

(d) NON-FEDERAL INTEREST.—A nonprofit organization may serve as the non-Federal interest for a project carried out under this section.

(e) CREDITING.—

(1) FOR WORK.—The Secretary shall provide credit, including credit for in-kind contributions of up to 100 percent of the non-Federal share, for work (including design work and materials) if the Secretary determines that the work performed by the non-Federal interest is integral to the product.

(2) FOR OTHER CONTRIBUTIONS.—The non-Federal interest shall receive credit for land, easements, rights-of-way, dredged material disposal areas, and relocations necessary to implement the projects.

(f) COOPERATIVE AGREEMENTS.—In carrying out this section, the Secretary may enter into 1 or more cooperative agreements to provide financial assistance to appropriate Federal, State, or local governments or nonprofit agencies, including assistance for the implementation of projects to be carried out under subsection (b).

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $20,000,000, to remain available until expended.

SEC. 3123. LAKE CHAMPLAIN WATERSHED, VERMONT AND NEW YORK.

Section 542 of the Water Resources Development Act of 2000 (114 Stat. 2671) is amended—

(1) in subsection (b)(2)—

(A) in subparagraph (D), by striking ''or'' at the end;

(B) by redesignating subparagraph (E) as subparagraph (G); and

(C) by inserting after subparagraph (D) the following:

''(E) river corridor assessment, protection, management, and restoration for the purposes of ecosystem restoration;

''(F) geographic mapping conducted by the Secretary using existing technical capacity to produce a high-resolution, multispectral satellite imagery-based land use and cover data set; or'';

(2) in subsection (e)(2)—

(A) in subparagraph (A)—

(i) by striking ''The non-Federal'' and inserting the following:

''(i) IN GENERAL.—The non-Federal''; and

(ii) by adding at the end the following:

''(ii) APPROVAL OF DISTRICT ENGINEER.—Approval of credit for design work of less than $100,000 shall be determined by the appropriate district engineer.''; and

(B) in subparagraph (C), by striking ''up to 50 percent of''; and

(3) in subsection (g), by striking ''$20,000,000'' and inserting ''$32,000,000''.

SEC. 3124. CHESAPEAKE BAY OYSTER RESTORATION, VIRGINIA AND MARYLAND.

Section 704(b) of the Water Resources Development Act of 1986 (33 U.S.C. 2263(b)) is amended—

(1) by redesignating paragraph (2) as paragraph (4);

(2) in paragraph (1)—

(A) in the second sentence, by striking ''$30,000,000'' and inserting ''$50,000,000''; and

(B) in the third sentence, by striking ''Such projects'' and inserting the following:

''(2) INCLUSIONS.—Such projects'';

(3) by striking paragraph (2)(D) (as redesignated by paragraph (2)(B)) and inserting the following:

''(D) the restoration and rehabilitation of habitat for fish, including native oysters, in the Chesapeake Bay and its tributaries in Virginia and Maryland, including—

''(i) the construction of oyster bars and reefs;

''(ii) the rehabilitation of existing marginal habitat;

''(iii) the use of appropriate alternative substrate material in oyster bar and reef construction;

''(iv) the construction and upgrading of oyster hatcheries; and

''(v) activities relating to increasing the output of native oyster broodstock for seeding and monitoring of restored sites to ensure ecological success.

''(3) RESTORATION AND REHABILITATION ACTIVITIES.—The restoration and rehabilitation activities described in paragraph (2)(D) shall be—

''(A) for the purpose of establishing permanent sanctuaries and harvest management areas; and

''(B) consistent with plans and strategies for guiding the restoration of the Chesapeake Bay oyster resource and fishery.''; and

(4) by adding at the end the following:

''(5) DEFINITION OF ECOLOGICAL SUCCESS.—In this subsection, the term 'ecological success' means—

''(A) achieving a tenfold increase in native oyster biomass by the year 2010, from a 1994 baseline; and

''(B) the establishment of a sustainable fishery as determined by a broad scientific and economic consensus.''.

SEC. 3125. JAMES RIVER, VIRGINIA.

The Secretary shall accept funds from the National Park Service to provide technical and project management assistance for the James River, Virginia, with a particular emphasis on locations along the shoreline adversely impacted by Hurricane Isabel.

SEC. 3126. TANGIER ISLAND SEAWALL, VIRGINIA.

Section 577(a) of the Water Resources Development Act of 1996 (110 Stat. 3789) is amended by striking ''at a total cost of $1,200,000, with an estimated Federal cost of $900,000 and an estimated non-Federal cost of $300,000.'' and inserting ''at a total cost of $3,000,000, with an estimated Federal cost of $2,400,000 and an estimated non-Federal cost of $600,000.''.

SEC. 3127. EROSION CONTROL, PUGET ISLAND, WAHKIAKUM COUNTY, WASHINGTON.

(a) IN GENERAL.—The Lower Columbia River levees and bank protection works authorized by section 204 of the Flood Control Act of 1950 (64 Stat. 178) is modified with regard to the Wahkiakum County diking districts No. 1 and 3, but without regard to any cost ceiling authorized before the date of enactment of this Act, to direct the Secretary to provide a 1-time placement of dredged material along portions of the Columbia River shoreline of Puget Island, Washington, between river miles 38 to 47, and the shoreline of Westport Beach, Clatsop County, Oregon, between river miles 43 to 45, to protect economic and environmental resources in the area from further erosion.

(b) COORDINATION AND COST SHARING REQUIREMENTS.—The Secretary shall carry out subsection (a)—

(1) in coordination with appropriate resource agencies;

(2) in accordance with all applicable Federal law (including regulations); and

(3) at full Federal expense.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $1,000,000.

SEC. 3128. LOWER GRANITE POOL, WASHINGTON.

(a) EXTINGUISHMENT OF REVERSIONARY INTERESTS AND USE RESTRICTIONS.—With respect to property covered by each deed described in subsection (b)—

(1) the reversionary interests and use restrictions relating to port or industrial purposes are extinguished;

(2) the human habitation or other building structure use restriction is extinguished in each area in which the elevation is above the standard project flood elevation; and

(3) the use of fill material to raise low areas above the standard project flood elevation is authorized, except in any low area constituting wetland for which a permit under section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344) would be required for the use of fill material.

(b) DEEDS.—The deeds referred to in subsection (a) are as follows:

(1) Auditor's File Numbers 432576, 443411, 499988, and 579771 of Whitman County, Washington.

(2) Auditor's File Numbers 125806, 138801, 147888, 154511, 156928, and 176360 of Asotin County, Washington.

(c) NO EFFECT ON OTHER RIGHTS.—Nothing in this section affects any remaining rights and interests of the Corps of Engineers for authorized project purposes in or to property covered by a deed described in subsection (b).

SEC. 3129. MCNARY LOCK AND DAM, MCNARY NATIONAL WILDLIFE REFUGE, WASHINGTON AND IDAHO.

(a) TRANSFER OF ADMINISTRATIVE JURISDICTION.—Administrative jurisdiction over the land acquired for the McNary Lock and Dam Project and managed by the United States Fish and Wildlife Service under Cooperative Agreement Number DACW68–4–00–13 with the Corps of Engineers, Walla Walla District, is transferred from the Secretary to the Secretary of the Interior.

(b) EASEMENTS.—The transfer of administrative jurisdiction under subsection (a) shall be subject to easements in existence as of the date of enactment of this Act on land subject to the transfer.

(c) RIGHTS OF SECRETARY.—

(1) IN GENERAL.—Except as provided in paragraph (3), the Secretary shall retain rights described in paragraph (2) with respect to the land for which administrative jurisdiction is transferred under subsection (a).

(2) RIGHTS.—The rights of the Secretary referred to in paragraph (1) are the rights—

(A) to flood land described in subsection (a) to the standard project flood elevation;

(B) to manipulate the level of the McNary Project Pool;

(C) to access such land described in subsection (a) as may be required to install, maintain, and inspect sediment ranges and carry out similar activities;

(D) to construct and develop wetland, riparian habitat, or other environmental restoration features authorized by section 1135 of the Water Resources Development Act of 1986 (33 U.S.C. 2309a) and section 206 of the Water Resources Development Act of 1996 (33 U.S.C. 2330);

(E) to dredge and deposit fill materials; and

(F) to carry out management actions for the purpose of reducing the take of juvenile salmonids by avian colonies that inhabit, before, on, or after the date of enactment of this Act, any island included in the land described in subsection (a).

(3) COORDINATION.—Before exercising a right described in any of subparagraphs (C) through (F) of paragraph (2), the Secretary shall coordinate the exercise with the United States Fish and Wildlife Service.

(d) MANAGEMENT.—

(1) IN GENERAL.—The land described in subsection (a) shall be managed by the Secretary of the Interior as part of the McNary National Wildlife Refuge.

(2) CUMMINS PROPERTY.—

(A) RETENTION OF CREDITS.—Habitat unit credits described in the memorandum entitled ''Design Memorandum No. 6, LOWER SNAKE RIVER FISH AND WILDLIFE COMPENSATION PLAN, Wildlife Compensation and Fishing Access Site Selection, Letter Supplement No. 15, SITE DEVELOPMENT PLAN FOR THE WALLULA HMU'' provided for the Lower Snake River Fish and Wildlife Compensation Plan through development of the parcel of land formerly known as the ''Cummins property'' shall be retained by the Secretary despite any changes in management of the parcel on or after the date of enactment of this Act.

(B) SITE DEVELOPMENT PLAN.—The United States Fish and Wildlife Service shall obtain prior approval of the Washington State Department of Fish and Wildlife for any change to the previously approved site development plan for the parcel of land formerly known as the ''Cummins property''.

(3) MADAME DORIAN RECREATION AREA.—The United States Fish and Wildlife Service shall continue operation of the Madame Dorian Recreation Area for public use and boater access.

(e) ADMINISTRATIVE COSTS.—The United States Fish and Wildlife Service shall be responsible for all survey, environmental compliance, and other administrative costs required to implement the transfer of administrative jurisdiction under subsection (a).

SEC. 3130. SNAKE RIVER PROJECT, WASHINGTON AND IDAHO.

The Fish and Wildlife Compensation Plan for the Lower Snake River, Washington and Idaho, as authorized by section 101 of the Water Resources Development Act of 1976 (90 Stat. 2921), is modified to authorize the Secretary to conduct studies and implement aquatic and riparian ecosystem restorations and improvements specifically for fisheries and wildlife.

SEC. 3131. WHATCOM CREEK WATERWAY, BELLINGHAM, WASHINGTON.

That portion of the project for navigation, Whatcom Creek Waterway, Bellingham, Washington, authorized by the Act of June 25, 1910 (36 Stat. 664, chapter 382) (commonly known as the ''River and Harbor Act of 1910'') and the River and Harbor Act of 1958 (72 Stat. 299), consisting of the last 2,900 linear feet of the inner portion of the waterway, and beginning at station 29+00 to station 0+00, shall not be authorized as of the date of enactment of this Act.

SEC. 3132. LOWER MUD RIVER, MILTON, WEST VIRGINIA.

The project for flood damage reduction at Lower Mud River, Milton, West Virginia, authorized by section 580 of the Water Resources Development Act of 1996 (110 Stat. 3790; 114 Stat. 2612), is modified to authorize the Secretary to carry out the project in accordance with the recommended plan described in the Draft Limited Reevaluation Report of the Corps of Engineers dated May 2004, at a total cost of $57,100,000, with an estimated Federal cost of $42,825,000

and an estimated non-Federal cost of $14,275,000.

SEC. 3133. MCDOWELL COUNTY, WEST VIRGINIA.

(a) IN GENERAL.—The McDowell County nonstructural component of the project for flood control, Levisa and Tug Fork of the Big Sandy and Cumberland Rivers, West Virginia, Virginia, and Kentucky, authorized by section 202(a) of the Energy and Water Development Appropriation Act, 1981 (94 Stat. 1339), is modified to direct the Secretary to take measures to provide protection, throughout McDowell County, West Virginia, from the reoccurrence of the greater of—

(1) the April 1977 flood;

(2) the July 2001 flood;

(3) the May 2002 flood; or

(4) the 100-year frequency event.

(b) UPDATES AND REVISIONS.—The measures under subsection (a) shall be carried out in accordance with, and during the development of, the updates and revisions under section 2006(e)(2).

SEC. 3134. GREEN BAY HARBOR PROJECT, GREEN BAY, WISCONSIN.

The portion of the inner harbor of the Federal navigation channel of the Green Bay Harbor project, authorized by the first section of the Act entitled ''An Act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes'', approved July 5, 1884 (commonly known as the ''River and Harbor Act of 1884'') (23 Stat. 136, chapter 229), from Station 190+00 to Station 378+00 is authorized to a width of 75 feet and a depth of 6 feet.

SEC. 3135. MANITOWOC HARBOR, WISCONSIN.

(a) IN GENERAL..—The portion of the project for navigation, Manitowoc Harbor, Wisconsin, authorized by the first section of the River and Harbor Act of August 30, 1852 (10 Stat. 58), consisting of the channel in the south part of the outer harbor, deauthorized by section 101 of the River and Harbor Act of 1962 (76 Stat. 1176), may be carried out by the Secretary.

(b) LIMITATION.—No construction on the project may be initiated until the Secretary determines that the project is feasible.

SEC. 3136. OCONTO HARBOR, WISCONSIN.

(a) IN GENERAL.—The portion of the project for navigation, Oconto Harbor, Wisconsin, authorized by the Act of August 2, 1882 (22 Stat. 196, chapter 375), and the Act of June 25, 1910 (36 Stat. 664, chapter 382) (commonly known as the ''River and Harbor Act of 1910''), consisting of a 15-foot-deep turning basin in the Oconto River, as described in subsection (b), is no longer authorized.

(b) PROJECT DESCRIPTION.—The project referred to in subsection (a) is more particularly described as—

(1) beginning at a point along the western limit of the existing project, N. 394,086.71, E. 2,530,202.71;

(2) thence northeasterly about 619.93 feet to a point N. 394,459.10, E. 2,530,698.33;

(3) thence southeasterly about 186.06 feet to a point N. 394,299.20, E. 2,530,793.47;

(4) thence southwesterly about 355.07 feet to a point N. 393,967.13, E. 2,530,667.76;

(5) thence southwesterly about 304.10 feet to a point N. 393,826.90, E. 2,530,397.92; and

(6) thence northwesterly about 324.97 feet to the point of origin.

SEC. 3137. MISSISSIPPI RIVER HEADWATERS RESERVOIRS.

Section 21 of the Water Resources Development Act of 1988 (102 Stat. 4027) is amended—

(1) in subsection (a)—

(A) by striking ''1276.42'' and inserting ''1278.42'';

(B) by striking ''1218.31'' and inserting ''1221.31''; and

(C) by striking ''1234.82'' and inserting ''1235.30''; and

(2) by striking subsection (b) and inserting the following:

''(b) EXCEPTION.—

''(1) IN GENERAL.—The Secretary may operate the headwaters reservoirs below the minimum or above the maximum water levels established under subsection (a) in accordance with water control regulation manuals (or revisions to those manuals) developed by the Secretary, after consultation with the Governor of Minnesota and affected tribal governments, landowners, and commercial and recreational users.

''(2) EFFECTIVE DATE OF MANUALS.—The water control regulation manuals referred to in paragraph (1) (and any revisions to those manuals) shall be effective as of the date on which the Secretary submits the manuals (or revisions) to Congress.

''(3) NOTIFICATION.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), not less than 14 days before operating any headwaters reservoir below the minimum or above the maximum water level limits specified in subsection (a), the Secretary shall submit to Congress a notice of intent to operate the headwaters reservoir.

''(B) EXCEPTION.—Notice under subparagraph (A) shall not be required in any case in which—

''(i) the operation of a headwaters reservoir is necessary to prevent the loss of life or to ensure the safety of a dam; or

''(ii) the drawdown of the water level of the reservoir is in anticipation of a flood control operation.''.

SEC. 3138. LOWER MISSISSIPPI RIVER MUSEUM AND RIVERFRONT INTERPRETIVE SITE.

Section 103(c)(2) of the Water Resources Development Act of 1992 (106 Stat. 4811) is amended by striking ''property currently held by the Resolution Trust Corporation in the vicinity of the Mississippi River Bridge'' and inserting ''riverfront property''.

SEC. 3139. UPPER MISSISSIPPI RIVER SYSTEM ENVIRONMENTAL MANAGEMENT PROGRAM.

(a) IN GENERAL.—Notwithstanding section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d–5b), for any Upper Mississippi River fish and wildlife habitat rehabilitation and enhancement project carried out under section 1103(e) of the Water Resources Development Act of 1986 (33 U.S.C. 652(e)), with the consent of the affected local government, a nongovernmental organization may be considered to be a non-Federal interest.

(b) CONFORMING AMENDMENT.—Section 1103(e)(1)(A)(ii) of the Water Resources Development Act of 1986 (33 U.S.C. 652(e)(1)(A)(ii)) is amended by inserting before the period at the end the following: '', including research on water quality issues affecting the Mississippi River, including elevated nutrient levels, and the development of remediation strategies''.

SEC. 3140. UPPER BASIN OF MISSOURI RIVER.

(a) USE OF FUNDS.—Notwithstanding the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103; 119 Stat. 2247), funds made available for recovery or mitigation activities in the lower basin of the Missouri River may be used for recovery or mitigation activities in the upper basin of the Missouri River, including the States of Montana, Nebraska, North Dakota, and South Dakota.

*(b) CONFORMING AMENDMENT.—The matter under the heading ''**MISSOURI RIVER MITIGATION, MISSOURI, KANSAS, IOWA, AND NEBRASKA**'' of section 601(a) of the Water Resources Development Act of 1986 (100 Stat. 4143), as modified by section 334 of the Water Resources Development Act of 1999 (113 Stat. 306), is amended by adding at the end the following: ''The Secretary may carry out any recovery or mitigation activities in the upper basin of the Missouri River, including the States of Montana, Nebraska, North Dakota, and South Dakota, using funds made available under this heading in accordance with the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) and consistent with the project purposes of the Missouri River Mainstem System as authorized by section 10 of the Act of December 22, 1944 (commonly known as the 'Flood Control Act of 1944') (58 Stat. 897).''.*

SEC. 3141. GREAT LAKES FISHERY AND ECOSYSTEM RESTORATION PROGRAM.

(a) GREAT LAKES FISHERY AND ECOSYSTEM RESTORATION.—Section 506(c) of the Water Resources Development Act of 2000 (42 U.S.C. 1962d–22(c)) is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively;

(2) by inserting after paragraph (1) the following:

''(2) RECONNAISSANCE STUDIES.—Before planning, designing, or constructing a project under paragraph (3), the Secretary shall carry out a reconnaissance study—

''(A) to identify methods of restoring the fishery, ecosystem, and beneficial uses of the Great Lakes; and

''(B) to determine whether planning of a project under paragraph (3) should proceed.''; and

(3) in paragraph (4)(A) (as redesignated by paragraph (1)), by striking ''paragraph (2)'' and inserting ''paragraph (3)''.

(b) COST SHARING.—Section 506(f) of the Water Resources Development Act of 2000 (42 U.S.C. 1962d–22(f)) is amended—

(1) by redesignating paragraphs (2) through (5) as paragraphs (3) through (6), respectively;

(2) by inserting after paragraph (1) the following:

''(2) RECONNAISSANCE STUDIES.—Any reconnaissance study under subsection (c)(2) shall be carried out at full Federal expense.'';

(3) in paragraph (3) (as redesignated by paragraph (1)), by striking ''(2) or (3)'' and inserting ''(3) or (4)''; and

(4) in paragraph (4)(A) (as redesignated by paragraph (1)), by striking ''subsection (c)(2)'' and inserting ''subsection (c)(3)''.

SEC. 3142. GREAT LAKES REMEDIAL ACTION PLANS AND SEDIMENT REMEDIATION.

Section 401(c) of the Water Resources Development Act of 1990 (104 Stat. 4644; 33 U.S.C. 1268 note) is amended by striking ''through 2006'' and inserting ''through 2011''.

SEC. 3143. GREAT LAKES TRIBUTARY MODELS.

Section 516(g)(2) of the Water Resources Development Act of 1996 (33 U.S.C. 2326b(g)(2)) is amended by striking ''through 2006'' and inserting ''through 2011''.

SEC. 3144. UPPER OHIO RIVER AND TRIBUTARIES NAVIGATION SYSTEM NEW TECHNOLOGY PILOT PROGRAM.

(a) DEFINITION OF UPPER OHIO RIVER AND TRIBUTARIES NAVIGATION SYSTEM.—In this section, the term ''Upper Ohio River and Tributaries Navigation System'' means the Allegheny, Kanawha, Monongahela, and Ohio Rivers.

(b) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary shall establish a pilot program to evaluate new technologies applicable to the Upper Ohio River and Tributaries Navigation System.

(2) INCLUSIONS.—The program may include the design, construction, or implementation of innovative technologies and solutions for the Upper Ohio River and Tributaries Navigation System, including projects for—

(A) improved navigation;

(B) environmental stewardship;

(C) increased navigation reliability; and

(D) reduced navigation costs.

(3) PURPOSES.—The purposes of the program shall be, with respect to the Upper Ohio River and Tributaries Navigation System—

(A) to increase the reliability and availability of federally-owned and federally-operated navigation facilities;

(B) to decrease system operational risks; and

(C) to improve—

(i) vessel traffic management;

(ii) access; and
(iii) Federal asset management.

(c) FEDERAL OWNERSHIP REQUIREMENT.—The Secretary may provide assistance for a project under this section only if the project is federally owned.

(d) LOCAL COOPERATION AGREEMENTS.—

(1) IN GENERAL.—The Secretary shall enter into local cooperation agreements with non-Federal interests to provide for the design, construction, installation, and operation of the projects to be carried out under the program.

(2) REQUIREMENTS.—Each local cooperation agreement entered into under this subsection shall include the following:

(A) PLAN.—Development by the Secretary, in consultation with appropriate Federal and State officials, of a navigation improvement project, including appropriate engineering plans and specifications.

(B) LEGAL AND INSTITUTIONAL STRUCTURES.—Establishment of such legal and institutional structures as are necessary to ensure the effective long-term operation of the project.

(3) COST SHARING.—Total project costs under each local cooperation agreement shall be cost-shared in accordance with the formula relating to the applicable original construction project.

(4) EXPENDITURES.—

(A) IN GENERAL.—Expenditures under the program may include, for establishment at federally-owned property, such as locks, dams, and bridges—

(i) transmitters;
(ii) responders;
(iii) hardware;
(iv) software; and
(v) wireless networks.

(B) EXCLUSIONS.—Transmitters, responders, hardware, software, and wireless networks or other equipment installed on privately-owned vessels or equipment shall not be eligible under the program.

(e) REPORT.—Not later than December 31, 2008, the Secretary shall submit to Congress a report on the results of the pilot program carried out under this section, together with recommendations concerning whether the program or any component of the program should be implemented on a national basis.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $3,100,000, to remain available until expended.

SEC. 3145. PERRY CREEK, IOWA.

(a) IN GENERAL.—On making a determination described in subsection (b), the Secretary shall increase the Federal contribution for the project for flood control, Perry Creek, Iowa, authorized under section 401(a) of the Water Resources Development Act of 1986 (100 Stat. 4116; 117 Stat. 1844).

(b) DETERMINATION.—A determination referred to in subsection (a) is a determination that a modification to the project described in that subsection is necessary for the Federal Emergency Management Agency to certify that the project provides flood damage reduction benefits to at least a 100-year level.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $4,000,000.

SEC. 3146. RATHBUN LAKE, IOWA.

(a) RIGHT OF FIRST REFUSAL.—The Secretary shall provide, in accordance with the recommendations in the Rathbun Lake Reallocation Report approved by the Chief of Engineers on July 22, 1985, the Rathbun Regional Water Association with the right of first refusal to contract for or purchase any increment of the remaining allocation (8,320 acre-feet) of water supply storage in Rathbun Lake, Iowa.

(b) PAYMENT OF COST.—The Rathbun Regional Water Association shall pay the cost of any water supply storage allocation provided under subsection (a).

SEC. 3147. JACKSON COUNTY, MISSISSIPPI.

(a) MODIFICATION.—Section 331 of the Water Resources Development Act of 1999 (113 Stat. 305) is amended by striking ''$5,000,000'' and inserting ''$9,000,000''.

(b) APPLICABILITY OF CREDIT.—The credit provided by section 331 of the Water Resources Development Act of 1999 (113 Stat. 305) (as modified by subsection (a)) shall apply to costs incurred by the Jackson County Board of Supervisors during the period beginning on February 8, 1994, and ending on the date of enactment of this Act for projects authorized by section 219(c)(5) of the Water Resources Development Act of 1992 (106 Stat. 4835; 110 Stat. 3757; 113 Stat. 334; 113 Stat. 1494; 114 Stat. 2763A–219).

SEC. 3148. SANDBRIDGE BEACH, VIRGINIA BEACH, VIRGINIA.

The project for beach erosion control and hurricane protection, Sandbridge Beach, Virginia Beach, Virginia, authorized by section 101(22) of the Water Resources Development Act of 1992 (106 Stat. 4804; 114 Stat. 2612), is modified to authorize the Secretary to review the project to determine whether any additional Federal interest exists with respect to the project, taking into consideration conditions and development levels relating to the project in existence on the date of enactment of this Act.

TITLE IV—STUDIES

SEC. 4001. SEWARD BREAKWATER, ALASKA.

The Secretary shall review the Seward Boat Harbor element of the project for navigation, Seward Harbor, Alaska, authorized by section 101(a)(3) of the Water Resources Development Act of 1999 (113 Stat. 274), to determine whether the failure of the outer breakwater to protect the harbor from heavy wave damage resulted from a design deficiency.

SEC. 4002. NOME HARBOR IMPROVEMENTS, ALASKA.

The Secretary shall review the project for navigation, Nome Harbor improvements, Alaska, authorized by section 101(a)(1) of the Water Resources Development Act of 1999 (113 Stat. 273), to determine whether the project cost increases, including the cost of rebuilding the entrance channel damaged in a September 2005 storm, resulted from a design deficiency.

SEC. 4003. MCCLELLAN-KERR ARKANSAS RIVER NAVIGATION CHANNEL.

(a) IN GENERAL.—To determine with improved accuracy the environmental impacts of the project on the McClellan-Kerr Arkansas River Navigation Channel (referred to in this section as the ''MKARN''), the Secretary shall carry out the measures described in subsection (b) in a timely manner.

(b) SPECIES STUDY.—

(1) IN GENERAL.—The Secretary, in conjunction with Oklahoma State University, shall convene a panel of experts with acknowledged expertise in wildlife biology and genetics to review the available scientific information regarding the genetic variation of various sturgeon species and possible hybrids of those species that, as determined by the United States Fish and Wildlife Service, may exist in any portion of the MKARN.

(2) REPORT.—The Secretary shall direct the panel to report to the Secretary, not later than 1 year after the date of enactment of this Act and in the best scientific judgment of the panel—

(A) the level of genetic variation between populations of sturgeon sufficient to determine or establish that a population is a measurably distinct species, subspecies, or population segment; and

(B) whether any pallid sturgeons that may be found in the MKARN (including any tributary of the MKARN) would qualify as such a distinct species, subspecies, or population segment.

SEC. 4004. FRUITVALE AVENUE RAILROAD BRIDGE, ALAMEDA, CALIFORNIA.

(a) IN GENERAL.—The Secretary shall prepare a comprehensive report that examines the condition of the existing Fruitvale Avenue Railroad Bridge, Alameda County, California (referred to in this section as the ''Railroad Bridge''), and determines the most economic means to maintain that rail link by either repairing or replacing the Railroad Bridge.

(b) REQUIREMENTS.—The report under this section shall include—

(1) a determination of whether the Railroad Bridge is in immediate danger of failing or collapsing;

(2) the annual costs to maintain the Railroad Bridge;

(3) the costs to place the Railroad Bridge in a safe, ''no-collapse'' condition, such that the Railroad Bridge will not endanger maritime traffic;

(4) the costs to retrofit the Railroad Bridge such that the Railroad Bridge may continue to serve as a rail link between the Island of Alameda and the Mainland; and

(5) the costs to construct a replacement for the Railroad Bridge capable of serving the current and future rail, light rail, and homeland security needs of the region.

(c) SUBMISSION OF REPORT.—The Secretary shall—

(1) complete the Railroad Bridge report under subsection (a) not later than 180 days after the date of enactment of this Act; and

(2) submit the report to the Committee on Environment and Public Works of the Senate and Committee on Transportation and Infrastructure of the House of Representatives.

(d) LIMITATIONS.—The Secretary shall not—

(1) demolish the Railroad Bridge or otherwise render the Railroad Bridge unavailable or unusable for rail traffic; or

(2) reduce maintenance of the Railroad Bridge.

(e) EASEMENT.—

(1) IN GENERAL.—The Secretary shall provide to the city of Alameda, California, a nonexclusive access easement over the Oakland Estuary that comprises the subsurface land and surface approaches for the Railroad Bridge that—

(A) is consistent with the Bay Trail Proposal of the City of Oakland; and

(B) is otherwise suitable for the improvement, operation, and maintenance of the Railroad Bridge or construction, operation, and maintenance of a suitable replacement bridge.

(2) COST.—The easement under paragraph (1) shall be provided to the city of Alameda without consideration and at no cost to the United States.

SEC. 4005. LOS ANGELES RIVER REVITALIZATION STUDY, CALIFORNIA.

(a) IN GENERAL.—The Secretary, in coordination with the city of Los Angeles, shall—

(1) prepare a feasibility study for environmental ecosystem restoration, flood control, recreation, and other aspects of Los Angeles River revitalization that is consistent with the goals of the Los Angeles River Revitalization Master Plan published by the city of Los Angeles; and

(2) consider any locally-preferred project alternatives developed through a full and open evaluation process for inclusion in the study.

(b) USE OF EXISTING INFORMATION AND MEASURES.—In preparing the study under subsection (a), the Secretary shall use, to the maximum extent practicable—

(1) information obtained from the Los Angeles River Revitalization Master Plan; and

(2) the development process of that plan.

(c) DEMONSTRATION PROJECTS.—

(1) IN GENERAL.—The Secretary is authorized to construct demonstration projects in order to provide information to develop the study under subsection (a)(1).

(2) FEDERAL SHARE.—The Federal share of the cost of any project under this subsection shall be not more than 65 percent.

(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $25,000,000.

SEC. 4006. NICHOLAS CANYON, LOS ANGELES, CALIFORNIA.

The Secretary shall carry out a study for bank stabilization and shore protection for

Nicholas Canyon, Los Angeles, California, under section 3 of the Act of August 13, 1946 (33 U.S.C. 426g).

SEC. 4007. OCEANSIDE, CALIFORNIA, SHORELINE SPECIAL STUDY.

Section 414 of the Water Resources Development Act of 2000 (114 Stat. 2636) is amended by striking ''32 months'' and inserting ''44 months''.

SEC. 4008. COMPREHENSIVE FLOOD PROTECTION PROJECT, ST. HELENA, CALIFORNIA.

(a) FLOOD PROTECTION PROJECT.—

(1) REVIEW.—The Secretary shall review the project for flood control and environmental restoration at St. Helena, California, generally in accordance with Enhanced Minimum Plan A, as described in the final environmental impact report prepared by the city of St. Helena, California, and certified by the city to be in compliance with the California Environmental Quality Act on February 24, 2004.

(2) ACTION ON DETERMINATION.—If the Secretary determines under paragraph (1) that the project is economically justified, technically sound, and environmentally acceptable, the Secretary is authorized to carry out the project at a total cost of $30,000,000, with an estimated Federal cost of $19,500,000 and an estimated non-Federal cost of $10,500,000.

(b) COST SHARING.—Cost sharing for the project described in subsection (a) shall be in accordance with section 103 of the Water Resources Development Act of 1986 (33 U.S.C. 2213).

SEC. 4009. SAN FRANCISCO BAY, SACRAMENTO-SAN JOAQUIN DELTA, SHERMAN ISLAND, CALIFORNIA.

The Secretary shall carry out a study of the feasibility of a project to use Sherman Island, California, as a dredged material rehandling facility for the beneficial use of dredged material to enhance the environment and meet other water resource needs on the Sacramento-San Joaquin Delta, California, under section 204 of the Water Resources Development Act of 1992 (33 U.S.C. 2326).

SEC. 4010. SOUTH SAN FRANCISCO BAY SHORELINE STUDY, CALIFORNIA.

(a) IN GENERAL.—The Secretary, in cooperation with non-Federal interests, shall conduct a study of the feasibility of carrying out a project for—

(1) flood protection of South San Francisco Bay shoreline;

(2) restoration of the South San Francisco Bay salt ponds (including on land owned by other Federal agencies); and

(3) other related purposes, as the Secretary determines to be appropriate.

(b) INDEPENDENT REVIEW.—To the extent required by applicable Federal law, a national science panel shall conduct an independent review of the study under subsection (a).

(c) REPORT.—

(1) IN GENERAL.—Not later than 3 years after the date of enactment of this Act, the Secretary shall submit to Congress a report describing the results of the study under subsection (a).

(2) INCLUSIONS.—The report under paragraph (1) shall include recommendations of the Secretary with respect to the project described in subsection (a) based on planning, design, and land acquisition documents prepared by—

(A) the California State Coastal Conservancy;

(B) the Santa Clara Valley Water District; and

(C) other local interests.

SEC. 4011. SAN PABLO BAY WATERSHED RESTORATION, CALIFORNIA.

(a) IN GENERAL.—The Secretary shall complete work as expeditiously as practicable on the study for the San Pablo watershed, California, authorized by section 209 of the Flood Control Act of 1962 (76 Stat. 1196) to determine the feasibility of opportunities for restoring, preserving, and protecting the San Pablo Bay Watershed.

(b) REPORT.—Not later than March 31, 2008, the Secretary shall submit to Congress a report that describes the results of the study.

SEC. 4012. FOUNTAIN CREEK, NORTH OF PUEBLO, COLORADO.

Subject to the availability of appropriations, the Secretary shall expedite the completion of the Fountain Creek, North of Pueblo, Colorado, watershed study authorized by a resolution adopted by the Committee on Public Works and Transportation of the House of Representatives on September 23, 1976.

SEC. 4013. SELENIUM STUDY, COLORADO.

(a) IN GENERAL.—The Secretary, in consultation with State water quality and resource and conservation agencies, shall conduct regional and watershed-wide studies to address selenium concentrations in the State of Colorado, including studies—

(1) to measure selenium on specific sites; and

(2) to determine whether specific selenium measures studied should be recommended for use in demonstration projects.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000.

SEC. 4014. DELAWARE INLAND BAYS AND TRIBUTARIES AND ATLANTIC COAST, DELAWARE.

(a) IN GENERAL.—The Secretary shall conduct a study to determine the feasibility of modifying the project for navigation, Indian River Inlet and Bay, Delaware.

(b) FACTORS FOR CONSIDERATION AND PRIORITY.—In carrying out the study under subsection (a), the Secretary shall—

(1) take into consideration all necessary activities to stabilize the scour holes threatening the Inlet and Bay shorelines; and

(2) give priority to stabilizing and restoring the Inlet channel and scour holes adjacent to the United States Coast Guard pier and helipad and the adjacent State-owned properties.

SEC. 4015. HERBERT HOOVER DIKE SUPPLEMENTAL MAJOR REHABILITATION REPORT, FLORIDA.

(a) IN GENERAL.—Not later than 120 days after the date of enactment of this Act, the Secretary shall publish a supplemental report to the major rehabilitation report for the Herbert Hoover Dike system approved by the Chief of Engineers in November 2000.

(b) INCLUSIONS.—The supplemental report under subsection (a) shall include—

(1) an evaluation of existing conditions at the Herbert Hoover Dike system;

(2) an identification of additional risks associated with flood events at the system that are equal to or greater than the standard projected flood risks;

(3) an evaluation of the potential to integrate projects of the Corps of Engineers into an enhanced flood protection system for Lake Okeechobee, including—

(A) the potential for additional water storage north of Lake Okeechobee; and

(B) an analysis of other project features included in the Comprehensive Everglades Restoration Plan; and

(4) a review of the report prepared for the South Florida Water Management District dated April 2006.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $1,500,000.

SEC. 4016. BOISE RIVER, IDAHO.

The study for flood control, Boise River, Idaho, authorized by section 414 of the Water Resources Development Act of 1999 (113 Stat. 324), is modified to include ecosystem restoration and water supply as project purposes to be studied.

SEC. 4017. PROMONTORY POINT THIRD-PARTY REVIEW, CHICAGO SHORELINE, CHICAGO, ILLINOIS.

(a) REVIEW.—

(1) IN GENERAL.—The Secretary is authorized to conduct a third-party review of the Promontory Point project along the Chicago Shoreline, Chicago, Illinois, at a cost not to exceed $450,000.

(2) JOINT REVIEW.—The Buffalo and Seattle Districts of the Corps of Engineers shall jointly conduct the review under paragraph (1).

(3) STANDARDS.—The review shall be based on the standards under part 68 of title 36, Code of Federal Regulations (or successor regulation), for implementation by the non-Federal sponsor for the Chicago Shoreline Chicago, Illinois, project.

(b) CONTRIBUTIONS.—The Secretary shall accept from a State or political subdivision of a State voluntarily contributed funds to initiate the third-party review.

(c) TREATMENT.—While the third-party review is of the Promontory Point portion of the Chicago Shoreline, Chicago, Illinois, project, the third-party review shall be separate and distinct from the Chicago Shoreline, Chicago, Illinois, project.

(d) EFFECT OF SECTION.—Nothing in this section affects the authorization for the Chicago Shoreline, Chicago, Illinois, project.

SEC. 4018. VIDALIA PORT, LOUISIANA.

The Secretary shall conduct a study to determine the feasibility of carrying out a project for navigation improvement at Vidalia, Louisiana.

SEC. 4019. LAKE ERIE AT LUNA PIER, MICHIGAN.

The Secretary shall study the feasibility of storm damage reduction and beach erosion protection and other related purposes along Lake Erie at Luna Pier, Michigan.

SEC. 4020. WILD RICE RIVER, MINNESOTA.

The Secretary shall expedite the completion of the general reevaluation report authorized by section 438 of the Water Resources Development Act of 2000 (114 Stat. 2640) for the project for flood protection, Wild Rice River, Minnesota, authorized by section 201 of the Flood Control Act of 1970 (84 Stat. 1825), to develop alternatives to the Twin Valley Lake feature of that project.

SEC. 4021. ASIAN CARP DISPERSAL BARRIER DEMONSTRATION PROJECT, UPPER MISSISSIPPI RIVER.

(a) IN GENERAL.—The Secretary is authorized to carry out a study to determine the feasibility of constructing a fish barrier demonstration project to delay, deter, impede, or restrict the invasion of Asian carp into the northern reaches of the Upper Mississippi River.

(b) REQUIREMENT.—In conducting the study under subsection (a), the Secretary shall take into consideration the feasibility of locating the fish barrier at the lock portion of the project at Lock and Dam 11 in the Upper Mississippi River Basin.

SEC. 4022. FLOOD DAMAGE REDUCTION, OHIO.

The Secretary shall conduct a study to determine the feasibility of carrying out projects for flood damage reduction in Cuyahoga, Lake, Ashtabula, Geauga, Erie, Lucas, Sandusky, Huron, and Stark Counties, Ohio.

SEC. 4023. MIDDLE BASS ISLAND STATE PARK, MIDDLE BASS ISLAND, OHIO.

The Secretary shall carry out a study of the feasibility of a project for navigation improvements, shoreline protection, and other related purposes, including the rehabilitation the harbor basin (including entrance breakwaters), interior shoreline protection, dredging, and the development of a public launch ramp facility, for Middle Bass Island State Park, Middle Bass Island, Ohio.

SEC. 4024. OHIO RIVER, OHIO.

The Secretary shall conduct a study to determine the feasibility of carrying out projects for flood damage reduction on the Ohio River in Mahoning, Columbiana, Jefferson, Belmont, Noble, Monroe, Washington, Athens, Meigs, Gallia, Lawrence, and Scioto Counties, Ohio.

SEC. 4025. TOLEDO HARBOR DREDGED MATERIAL PLACEMENT, TOLEDO, OHIO.

The Secretary shall study the feasibility of removing previously dredged and placed materials from the Toledo Harbor confined disposal facility, transporting the materials, and disposing of

the materials in or at abandoned mine sites in southeastern Ohio.

SEC. 4026. TOLEDO HARBOR, MAUMEE RIVER, AND LAKE CHANNEL PROJECT, TOLEDO, OHIO.

(a) IN GENERAL.—The Secretary shall conduct a study to determine the feasibility of constructing a project for navigation, Toledo, Ohio.

(b) FACTORS FOR CONSIDERATION.—In conducting the study under subsection (a), the Secretary shall take into consideration—

(1) realigning the existing Toledo Harbor channel widening occurring where the River Channel meets the Lake Channel from the northwest to the southeast side of the Channel;

(2) realigning the entire 200-foot wide channel located at the upper river terminus of the River Channel southern river embankment towards the northern river embankment; and

(3) adjusting the existing turning basin to accommodate those changes.

SEC. 4027. WOONSOCKET LOCAL PROTECTION PROJECT, BLACKSTONE RIVER BASIN, RHODE ISLAND.

The Secretary shall conduct a study, and, not later than June 30, 2008, submit to Congress a report that describes the results of the study, on the flood damage reduction project, Woonsocket, Blackstone River Basin, Rhode Island, authorized by the Act of December 22, 1944 (commonly known as the ''Flood Control Act of 1944'') (58 Stat. 887, chapter 665), to determine the measures necessary to restore the level of protection of the project as originally designed and constructed.

SEC. 4028. PROJECTS FOR IMPROVEMENT, SAVANNAH RIVER, SOUTH CAROLINA AND GEORGIA.

(a) IN GENERAL.—The Secretary shall determine the feasibility of carrying out projects—

(1) to improve the Savannah River for navigation and related purposes that may be necessary to support the location of container cargo and other port facilities to be located in Jasper County, South Carolina, in the vicinity of Mile 6 of the Savannah Harbor entrance channel; and

(2) to remove from the proposed Jasper County port site the easements used by the Corps of Engineers for placement of dredged fill materials for the Savannah Harbor Federal navigation project.

(b) FACTORS FOR CONSIDERATION.—In making a determination under subsection (a), the Secretary shall take into consideration—

(1) landside infrastructure;

(2) the provision of any additional dredged material disposal area as a consequence of removing from the proposed Jasper County port site the easements used by the Corps of Engineers for placement of dredged fill materials for the Savannah Harbor Federal navigation project; and

(3) the results of the proposed bistate compact between the State of Georgia and the State of South Carolina to own, develop, and operate port facilities at the proposed Jasper County port site, as described in the term sheet executed by the Governor of the State of Georgia and the Governor of the State of South Carolina on March 12, 2007.

SEC. 4029. JOHNSON CREEK, ARLINGTON, TEXAS.

The Secretary shall conduct a feasibility study to determine the technical soundness, economic feasibility, and environmental acceptability of the plan prepared by the city of Arlington, Texas, as generally described in the report entitled ''Johnson Creek: A Vision of Conservation, Arlington, Texas'', dated March 2006.

SEC. 4030. ECOSYSTEM AND HYDROPOWER GENERATION DAMS, VERMONT.

(a) IN GENERAL.—The Secretary shall conduct a study of the potential to carry out ecosystem restoration and hydropower generation at dams in the State of Vermont, including a review of the report of the Secretary on the land and water resources of the New England–New York region submitted to the President on April 27, 1956 (published as Senate Document Number 14, 85th Congress), and other relevant reports.

(b) PURPOSE.—The purpose of the study under subsection (a) shall be to determine the feasibility of providing water resource improvements and small-scale hydropower generation in the State of Vermont, including, as appropriate, options for dam restoration, hydropower, dam removal, and fish passage enhancement.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to carry out this section $500,000, to remain available until expended.

SEC. 4031. EURASIAN MILFOIL.

Under the authority of section 104 of the River and Harbor Act of 1958 (33 U.S.C. 610), the Secretary shall carry out a study, at full Federal expense, to develop national protocols for the use of the Euhrychiopsis lecontei weevil for biological control of Eurasian milfoil in the lakes of Vermont and other northern tier States.

SEC. 4032. LAKE CHAMPLAIN CANAL STUDY, VERMONT AND NEW YORK.

(a) DISPERSAL BARRIER PROJECT.—The Secretary shall determine, at full Federal expense, the feasibility of a dispersal barrier project at the Lake Champlain Canal.

(b) CONSTRUCTION, MAINTENANCE, AND OPERATION.—If the Secretary determines that the project described in subsection (a) is feasible, the Secretary shall construct, maintain, and operate a dispersal barrier at the Lake Champlain Canal at full Federal expense.

SEC. 4033. BAKER BAY AND ILWACO HARBOR, WASHINGTON.

The Secretary shall conduct a study of increased siltation in Baker Bay and Ilwaco Harbor, Washington, to determine whether the siltation is the result of a Federal navigation project.

SEC. 4034. ELLIOT BAY SEAWALL REHABILITATION STUDY, WASHINGTON.

The study for the rehabilitation of the Elliot Bay Seawall, Seattle, Washington, is modified to direct the Secretary to determine the feasibility of reducing future damage to the seawall from seismic activity.

SEC. 4035. JOHNSONVILLE DAM, JOHNSONVILLE, WISCONSIN.

The Secretary shall conduct a study of the Johnsonville Dam, Johnsonville, Wisconsin, to determine whether the structure prevents ice jams on the Sheboygan River.

SEC. 4036. DEBRIS REMOVAL.

(a) REEVALUATION.—

(1) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the Secretary, in coordination with the Administrator of the Environmental Protection Agency and in consultation with affected communities, shall conduct a complete reevaluation of Federal and non-Federal demolition, debris removal, segregation, transportation, and disposal practices relating to disaster areas designated in response to Hurricanes Katrina and Rita (including regulated and nonregulated materials and debris).

(2) INCLUSIONS.—The reevaluation under paragraph (1) shall include a review of—

(A) compliance with all applicable environmental laws;

(B) permits issued or required to be issued with respect to debris handling, transportation, storage, or disposal; and

(C) administrative actions relating to debris removal and disposal in the disaster areas described in paragraph (1).

(b) REPORT.—Not later than 120 days after the date of enactment of this Act, the Secretary shall submit to the Committee on the Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report that—

(1) describes the findings of the Secretary with respect to the reevaluation under subsection (a);

(2)(A) certifies compliance with all applicable environmental laws; and

(B) identifies any area in which a violation of such a law has occurred or is occurring;

(3) includes recommendations to ensure—

(A) the protection of the environment;

(B) sustainable practices; and

(C) the integrity of hurricane and flood protection infrastructure relating to debris disposal practices;

(4) contains an enforcement plan that is designed to prevent illegal dumping of hurricane debris in a disaster area; and

(5) contains plans of the Secretary and the Administrator to involve the public and non-Federal interests, including through the formation of a Federal advisory committee, as necessary, to seek public comment relating to the removal, disposal, and planning for the handling of post-hurricane debris.

SEC. 4037. MOHAWK RIVER, ONEIDA COUNTY, NEW YORK.

(a) IN GENERAL.—The Secretary shall conduct a watershed study of the Mohawk River watershed, Oneida County, New York, with a particular emphasis on improving water quality and the environment.

(b) RECOMMENDATIONS.—In conducting the study under subsection (a), the Secretary shall take into consideration impacts on the Sauquoit Creek Watershed and the economy.

SEC. 4038. WALLA WALLA RIVER BASIN, OREGON AND WASHINGTON.

In conducting the study to determine the feasibility of carrying out a project for ecosystem restoration, Walla Walla River Basin, Oregon and Washington, the Secretary shall—

(1) provide a credit toward the non-Federal share of the cost of the project for the cost of any activity carried out by the non-Federal interest before the date of the partnership agreement for the project, if the Secretary determines that the activity is integral to the project; and

(2) allow the non-Federal interest to provide the non-Federal share of the cost of the study in the form of in-kind services and materials.

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 5001. LAKES PROGRAM.

Section 602(a) of the Water Resources Development Act of 1986 (100 Stat. 4148; 110 Stat. 3758; 113 Stat. 295) is amended—

(1) in paragraph (18), by striking ''and'' at the end;

(2) in paragraph (19), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

''(20) Lake Sakakawea, North Dakota, removal of silt and aquatic growth and measures to address excessive sedimentation;

''(21) Lake Morley, Vermont, removal of silt and aquatic growth and measures to address excessive sedimentation;

''(22) Lake Fairlee, Vermont, removal of silt and aquatic growth and measures to address excessive sedimentation; and

''(23) Lake Rodgers, Creedmoor, North Carolina, removal of silt and excessive nutrients and restoration of structural integrity.''.

SEC. 5002. ESTUARY RESTORATION.

(a) PURPOSES.—Section 102 of the Estuary Restoration Act of 2000 (33 U.S.C. 2901) is amended—

(1) in paragraph (1), by inserting before the semicolon the following: ''by implementing a coordinated Federal approach to estuary habitat restoration activities, including the use of common monitoring standards and a common system for tracking restoration acreage'';

(2) in paragraph (2), by inserting ''and implement'' after ''to develop''; and

(3) in paragraph (3), by inserting ''through cooperative agreements'' after ''restoration projects''.

(b) DEFINITION OF ESTUARY HABITAT RESTORATION PLAN.—Section 103(6)(A) of the Estuary Restoration Act of 2000 (33 U.S.C. 2902(6)(A)) is amended by striking ''Federal or State'' and inserting ''Federal, State, or regional''.

(c) ESTUARY HABITAT RESTORATION PROGRAM.—Section 104 of the Estuary Restoration Act of 2000 (33 U.S.C. 2903) is amended—

(1) in subsection (a), by inserting ''through the award of contracts and cooperative agreements'' after ''assistance'';

(2) in subsection (c)—

(A) in paragraph (3)(A), by inserting ''or State'' after ''Federal''; and

(B) in paragraph (4)(B), by inserting ''or approach'' after ''technology'';

(3) in subsection (d)—

(A) in paragraph (1)—

(i) by striking ''Except'' and inserting the following:

''(i) IN GENERAL.—Except''; and

(ii) by adding at the end the following:

''(ii) MONITORING.—

''(I) COSTS.—The costs of monitoring an estuary habitat restoration project funded under this title may be included in the total cost of the estuary habitat restoration project.

''(II) GOALS.—The goals of the monitoring shall be—

''(aa) to measure the effectiveness of the restoration project; and

''(bb) to allow adaptive management to ensure project success.'';

(B) in paragraph (2), by inserting ''or approach'' after ''technology''; and

(C) in paragraph (3), by inserting ''(including monitoring)'' after ''services'';

(4) in subsection (f)(1)(B), by inserting ''long-term'' before ''maintenance''; and

(5) in subsection (g)—

(A) by striking ''In carrying'' and inserting the following:

''(1) IN GENERAL.—In carrying''; and

(B) by adding at the end the following:

''(2) SMALL PROJECTS.—

''(A) DEFINITION OF SMALL PROJECT.—In this paragraph, the term 'small project' means a project carried out under this title at a Federal cost of less than $1,000,000.

''(B) SMALL PROJECT DELEGATION.—In carrying out this title, the Secretary, upon the recommendation of the Council, may delegate implementation of a small project to—

''(i) the Secretary of the Interior (acting through the Director of the United States Fish and Wildlife Service);

''(ii) the Under Secretary for Oceans and Atmosphere of the Department of Commerce;

''(iii) the Administrator of the Environmental Protection Agency; or

''(iv) the Secretary of Agriculture.

''(C) FUNDING.—The implementation of a small project delegated to the head of a Federal department or agency under this paragraph may be carried out using—

''(i) funds appropriated to the department or agency under section 109(a)(1); or

''(ii) any other funds available to the department or agency.

''(D) AGREEMENTS.—The Federal department or agency to which implementation of a small project is delegated shall enter into an agreement with the non-Federal interest generally in conformance with the criteria in subsections (d) and (e). Cooperative agreements may be used for any delegated project.''.

(d) ESTABLISHMENT OF ESTUARY HABITAT RESTORATION COUNCIL.—Section 105(b) of the Estuary Restoration Act of 2000 (33 U.S.C. 2904(b)) is amended—

(1) in paragraph (4), by striking ''and'' after the semicolon;

(2) in paragraph (5), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

''(6) cooperating in the implementation of the strategy developed under section 106;

''(7) recommending standards for monitoring for restoration projects and contribution of project information to the database developed under section 107; and

''(8) otherwise using the respective agency authorities of the Council members to carry out this title.''.

(e) MONITORING OF ESTUARY HABITAT RESTORATION PROJECTS.—Section 107(d) of the Estuary Restoration Act of 2000 (33 U.S.C. 2906(d)) is amended by striking ''compile'' and inserting ''have general data compilation, coordination, and analysis responsibilities to carry out this title and in support of the strategy developed under this section, including compilation of''.

(f) REPORTING.—Section 108(a) of the Estuary Restoration Act of 2000 (33 U.S.C. 2907(a)) is amended by striking ''third and fifth'' and inserting ''sixth, eighth, and tenth''.

(g) FUNDING.—Section 109(a) of the Estuary Restoration Act of 2000 (33 U.S.C. 2908(a)) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by striking ''to the Secretary''; and

(B) by striking subparagraphs (A) through (D) and inserting the following:

''(A) to the Secretary, $25,000,000 for each of fiscal years 2007 through 2011;

''(B) to the Secretary of the Interior (acting through the Director of the United States Fish and Wildlife Service), $2,500,000 for each of fiscal years 2007 through 2011;

''(C) to the Under Secretary for Oceans and Atmosphere of the Department of Commerce, $2,500,000 for each of fiscal years 2007 through 2011;

''(D) to the Administrator of the Environmental Protection Agency, $2,500,000 for each of fiscal years 2007 through 2011; and

''(E) to the Secretary of Agriculture, $2,500,000 for each of fiscal years 2007 through 2011.''; and

(2) in the first sentence of paragraph (2)—

(A) by inserting ''and other information compiled under section 107'' after ''this title''; and

(B) by striking ''2005'' and inserting ''2011''.

(h) GENERAL PROVISIONS.—Section 110 of the Estuary Restoration Act of 2000 (33 U.S.C. 2909) is amended—

(1) in subsection (b)(1)—

(A) by inserting ''or contracts'' after ''agreements''; and

(B) by inserting '', nongovernmental organizations,'' after ''agencies''; and

(2) by striking subsections (d) and (e).

SEC. 5003. ENVIRONMENTAL INFRASTRUCTURE.

Section 219 of the Water Resources Development Act of 1992 (106 Stat. 4835; 110 Stat. 3757; 113 Stat. 334; 113 Stat. 1494; 114 Stat. 2763A–219) is amended—

(1) in subsection (c)(5), by striking ''a project for the elimination or control of combined sewer overflows'' and inserting ''projects for the design, installation, enhancement or repair of sewer systems'';

(2) in subsection (e)(1), by striking ''$20,000,000'' and inserting ''$32,500,000''; and

(3) in subsection (f)—

(A) in paragraph (30), by striking ''$55,000,000'' and inserting ''$75,000,000''; and

(B) by adding at the end the following:

''(77) CHATTOOGA COUNTY, GEORGIA.—$8,000,000 for waste and drinking water infrastructure improvement, Chattooga County, Georgia.

''(78) ALBANY, GEORGIA.—$4,000,000 storm drainage system, Albany, Georgia.

''(79) MOULTRIE, GEORGIA.—$5,000,000 for water supply infrastructure, Moultrie, Georgia.

''(80) STEPHENS COUNTY/CITY OF TOCCOA, GEORGIA.—$8,000,000 water infrastructure improvements, Stephens County/City of Toccoa, Georgia.

''(81) DAHLONEGA, GEORGIA.—$5,000,000 for water infrastructure improvements, Dahlonega, Georgia.

''(82) BANKS COUNTY, GEORGIA.—$5,000,000 for water infrastructure improvements, Banks County, Georgia.

''(83) BERRIEN COUNTY, GEORGIA.—$5,000,000 for water infrastructure improvements, Berrien County, Georgia.

''(84) CITY OF EAST POINT, GEORGIA.—$5,000,000 for water infrastructure improvements, City of East Point, Georgia.

''(85) ARMUCHEE VALLEY: CHATTOOGA, FLOYD, GORDON, WALKER, AND WHITIFIELD COUNTIES, GEORGIA.—$10,000,000 for water infrastructure improvements, Armuchee Valley: Chattooga, Floyd, Gordon, Walker, and Whitifield Counties, Georgia.

''(86) ATCHISON, KANSAS.—$20,000,000 for combined sewer overflows, Atchison, Kansas.

''(87) LAFOURCHE PARISH, LOUISIANA.—$2,300,000 for measures to prevent the intrusion of saltwater into the freshwater system, Lafourche Parish, Louisiana.

''(88) SOUTH CENTRAL PLANNING AND DEVELOPMENT COMMISSION, LOUISIANA.—$2,500,000 for water and wastewater improvements, South Central Planning and Development Commission, Louisiana.

''(89) RAPIDES AREA PLANNING COMMISSION, LOUISIANA.—$1,000,000 for water and wastewater improvements, Rapides, Louisiana.

''(90) NORTHWEST LOUISIANA COUNCIL OF GOVERNMENTS, LOUISIANA.—$2,000,000 for water and wastewater improvements, Northwest Louisiana Council of Governments, Louisiana.

''(91) LAFAYETTE, LOUISIANA.—$1,200,000 for water and wastewater improvements, Lafayette, Louisiana.

''(92) LAKE CHARLES, LOUISIANA.—$1,000,000 for water and wastewater improvements, Lake Charles, Louisiana.

''(93) OUACHITA PARISH, LOUISIANA.—$1,000,000 water and wastewater improvements, Ouachita Parish, Louisiana.

''(94) UNION-LINCOLN REGIONAL WATER SUPPLY PROJECT, LOUISIANA.—$2,000,000 for the Union-Lincoln Regional Water Supply project, Louisiana.

''(95) CENTRAL LAKE REGION SANITARY DISTRICT, MINNESOTA.—$2,000,000 for sanitary sewer and wastewater infrastructure for the Central Lake Region Sanitary District, Minnesota to serve Le Grande and Moe Townships, Minnesota.

''(96) GOODVIEW, MINNESOTA.—$3,000,000 for water quality infrastructure, Goodview, Minnesota.

''(97) GRAND RAPIDS, MINNESOTA.—$5,000,000 for wastewater infrastructure, Grand Rapids, Minnesota.

''(98) WILLMAR, MINNESOTA.—$15,000,000 for wastewater infrastructure, Willmar, Minnesota.

''(99) CITY OF CORINTH, MISSISSIPPI.—$7,500,000 for a surface water program, Corinth, Mississippi.

''(100) CLEAN WATER COALITION, NEVADA.—$20,000,000 for the Systems Conveyance and Operations Program, Clark County, Henderson, Las Vegas, and North Las Vegas, Nevada.

''(101) TOWN OF MOORESVILLE, NORTH CAROLINA.—$4,000,000 for water and wastewater infrastructure improvements, Mooresville, North Carolina.

''(102) CITY OF WINSTON-SALEM, NORTH CAROLINA.—$3,000,000 for storm water upgrades, Winston-Salem, North Carolina.

''(103) NEUSE REGIONAL WATER AND SEWER AUTHORITY, NORTH CAROLINA.—$4,000,000 for the Neuse regional drinking water facility, Neuse, North Carolina.

''(104) TOWN OF CARY/WAKE COUNTY, NORTH CAROLINA.—$4,000,000 for a water reclamation facility, Cary, North Carolina.

''(105) CITY OF FAYETTEVILLE, NORTH CAROLINA.—$6,000,000 for water and sewer upgrades, Fayetteville, North Carolina.

''(106) WASHINGTON COUNTY, NORTH CAROLINA.—$1,000,000 for water and wastewater infrastructure, Washington County, North Carolina.

''(107) CITY OF CHARLOTTE, NORTH CAROLINA.—$3,000,000 for the Briar Creek Relief Sewer project, Charlotte, North Carolina.

''(108) CITY OF ADA, OKLAHOMA.—$1,700,000 for sewer improvements and other water infrastructure, City Of Ada, Oklahoma.

''(109) NORMAN, OKLAHOMA.—$10,000,000 for carrying out the Waste Water Master Plan and water related infrastructure, Norman, Oklahoma.

''(110) EASTERN OKLAHOMA STATE UNIVERSITY, WILBERTON, OKLAHOMA.—$1,000,000 for sewer and utility upgrades and water related infrastructure, Eastern Oklahoma State University, Wilberton, Oklahoma.

''(111) CITY OF WEATHERFORD, OKLAHOMA.—$500,000 for arsenic program and water related infrastructure, City of Weatherford, Oklahoma.

''(112) CITY OF BETHANY, OKLAHOMA.—$1,500,000 for water improvements and water related infrastructure, City of Bethany, Oklahoma.

''(113) WOODWARD, OKLAHOMA.—$1,500,000 for water improvements and water related infrastructure, Woodward, Oklahoma.

''(114) CITY OF DISNEY AND LANGLEY, OKLAHOMA.—$2,500,000 for water and sewer improvements and water related infrastructure, City of Disney and Langley, Oklahoma.

''(115) CITY OF DURANT, OKLAHOMA.—$3,300,000 for bayou restoration and water related infrastructure, City of Durant, Oklahoma.

''(116) CITY OF MIDWEST CITY, OKLAHOMA.—$2,000,000 for improvements to water related infrastructure, City of Midwest City, Oklahoma.

''(117) CITY OF ARDMORE, OKLAHOMA.—$1,900,000 for water and sewer infrastructure improvements, City of Ardmore, Oklahoma.

''(118) CITY OF GUYMON, OKLAHOMA.—$16,000,000 for water related waste water treatment related infrastructure projects.

''(119) LUGERT-ALTUS IRRIGATION DISTRICT, ALTUS, OKLAHOMA.—$5,000,000 for water related infrastructure improvement project.

''(120) CITY OF CHICKASHA, OKLAHOMA.—$650,000 for industrial park sewer infrastructure project.

''(121) OKLAHOMA PANHANDLE STATE UNIVERSITY, GUYMON, OKLAHOMA.—$275,000 for water testing facility and water related infrastructure development.

''(122) CITY OF BARTLESVILLE, OKLAHOMA.—$2,500,000 for waterline transport infrastructure project.

''(123) CITY OF KONAWA, OKLAHOMA.—$500,000 for water treatment infrastructure improvements.

''(124) CITY OF MUSTANG, OKLAHOMA.—$3,325,000 for water improvements and water related infrastructure.

''(125) CITY OF ALVA, OKLAHOMA.—$250,000 for waste water improvement infrastructure.

''(126) VINTON COUNTY, OHIO.—$1,000,000 to construct water lines in Vinton and Brown Townships, Ohio.

''(127) BURR OAK REGIONAL WATER DISTRICT, OHIO.—$4,000,000 for construction of a water line to extend from a well field near Chauncey, Ohio, to a water treatment plant near Millfield, Ohio.

''(128) FREMONT, OHIO.—$2,000,000 for construction of off-stream water supply reservoir, Fremont, Ohio.

''(129) FOSTORIA, OHIO.—$2,000,000 for wastewater infrastructure, Fostoria, Ohio.

''(130) DEFIANCE COUNTY, OHIO.—$1,000,000 for wastewater infrastructure, Defiance County, Ohio.

''(131) AKRON, OHIO.—$5,000,000 for wastewater infrastructure, Akron, Ohio

''(132) MEIGS COUNTY, OHIO.—$1,000,000 to extend the Tupper Plains Regional Water District water line to Lebanon Township, Ohio.

''(133) CITY OF CLEVELAND, OHIO.—$2,500,000 for Flats East Bank water and wastewater infrastructure, Cleveland, Ohio.

''(134) CINCINNATI, OHIO.—$1,000,000 for wastewater infrastructure, Cincinnati, Ohio.

''(135) DAYTON, OHIO.—$1,000,000 for water and wastewater infrastructure, Dayton, Ohio.

''(136) LAWRENCE COUNTY, OHIO.—$5,000,000 for Union Rome wastewater infrastructure, Lawrence County, Ohio.

''(137) CITY OF COLUMBUS, OHIO.—$4,500,000 for wastewater infrastructure, Columbus, Ohio.

''(138) BEAVER CREEK RESERVOIR, PENNSYLVANIA.—$3,000,000 for projects for water supply and related activities, Beaver Creek Reservoir, Clarion County, Beaver and Salem Townships, Pennsylvania.

''(139) MYRTLE BEACH, SOUTH CAROLINA.—$10,000,000 for environmental infrastructure, including ocean outfalls, Myrtle Beach, South Carolina.

''(140) CHARLESTON AND WEST ASHLEY, SOUTH CAROLINA.—$6,000,000 for wastewater tunnel replacement, Charleston and West Ashley, South Carolina.

''(141) CHARLESTON, SOUTH CAROLINA.—$3,000,000 for stormwater control measures and storm sewer improvements, Spring Street/Fishburne Street drainage project, Charleston, South Carolina.

''(142) NORTH MYRTLE BEACH, SOUTH CAROLINA.—$3,000,000 for environmental infrastructure, including ocean outfalls, North Myrtle Beach, South Carolina.

''(143) SURFSIDE, SOUTH CAROLINA.—$3,000,000 for environmental infrastructure, including stormwater system improvements and ocean outfalls, Surfside, South Carolina.

''(144) CHEYENNE RIVER SIOUX RESERVATION (DEWEY AND ZIEBACH COUNTIES) AND PERKINS AND MEADE COUNTIES, SOUTH DAKOTA.—$40,000,000 for water related infrastructure, Cheyenne River Sioux Reservation (Dewey and Ziebach counties) and Perkins and Meade Counties, South Dakota.

''(145) CITY OF OAK RIDGE, TENNESSEE.—$4,000,000 for water supply and wastewater infrastructure, City of Oak Ridge, Tennessee.

''(146) NASHVILLE, TENNESSEE.—$5,000,000 for water supply and wastewater infrastructure, Nashville, Tennessee.

''(147) COUNTIES OF LEWIS, LAWRENCE, AND WAYNE, TENNESSEE.—$2,000,000 for water supply and wastewater infrastructure projects in the Counties of Lewis, Lawrence and Wayne, Tennessee.

''(148) COUNTY OF GILES, TENNESSEE.—$2,000,000 for water supply and wastewater infrastructure projects in the County of Giles, Tennessee.

''(149) CITY OF KNOXVILLE, TENNESSEE.—$5,000,000 for water supply and wastewater infrastructure projects in the City of Knoxville, Tennessee.

''(150) SHELBY COUNTY, TENNESSEE.—$4,000,000 for water-related environmental infrastructure projects in County of Shelby, Tennessee.

''(151) JOHNSON COUNTY, TENNESSEE.—$600,000 for water supply and wastewater infrastructure projects in Johnson County, Tennessee.

''(152) PLATEAU UTILITY DISTRICT, MORGAN COUNTY, TENNESSEE.—$1,000,000 for water supply and wastewater infrastructure projects in Morgan County, Tennessee.

''(153) CITY OF HARROGATE, TENNESSEE.—$2,000,000 for water supply and wastewater infrastructure projects in City of Harrogate, Tennessee.

''(154) HAMILTON COUNTY, TENNESSEE.—$500,000 for water supply and wastewater infrastructure projects in Hamilton County, Tennessee.

''(155) GRAINGER COUNTY, TENNESSEE.—$1,250,000 for water supply and wastewater infrastructure projects in Grainger County, Tennessee.

''(156) CLAIBORNE COUNTY, TENNESSEE.—$1,250,000 for water supply and wastewater infrastructure projects in Claiborne County, Tennessee.

''(157) BLAINE, TENNESSEE.—$500,000 for water supply and wastewater infrastructure projects in Blaine, Tennessee.

''(158) CHESAPEAKE BAY.—$30,000,000 for environmental infrastructure projects to benefit the Chesapeake Bay, including the nutrient removal project at the Blue Plains Wastewater Treatment facility in Washington, DC.

''(159) ARKANSAS VALLEY CONDUIT, COLORADO.—$10,000,000 for the Arkansas Valley Conduit, Colorado.

''(160) BOULDER COUNTY, COLORADO.—$10,000,000 for water supply infrastructure, Boulder County, Colorado.

''(161) PLAINVILLE, CONNECTICUT.—$6,280,000 for wastewater treatment, Plainville, Connecticut.

''(162) SOUTHINGTON, CONNECTICUT.—$9,420,000 for water supply infrastructure, Southington, Connecticut.

''(163) NORWALK, CONNECTICUT.—$3,000,000 for the Keeler Brook Storm Water Improvement Project, Norwalk, Connecticut.

''(164) ENFIELD, CONNECTICUT.—$1,000,000 for infiltration and inflow correction, Enfield, Connecticut.

''(165) NEW HAVEN, CONNECTICUT.—$300,000 for storm water system improvements, New Haven, Connecticut.

''(166) MIAMI-DADE COUNTY, FLORIDA.—$6,250,000 for water reuse supply and a water transmission pipeline, Miami-Dade County, Florida.

''(167) HILLSBOROUGH COUNTY, FLORIDA.—$6,250,000 for water infrastructure and supply enhancement, Hillsborough County, Florida.

''(168) PALM BEACH COUNTY, FLORIDA.—$7,500,000 for water infrastructure, Palm Beach County, Florida.

''(169) CHESAPEAKE BAY REGION, MARYLAND AND VIRGINIA.—$40,000,000 for water pollution control projects, Chesapeake Bay Region, Maryland and Virginia.

''(170) MICHIGAN COMBINED SEWER OVERFLOWS.—$35,000,000 for correction of combined sewer overflows, Michigan.

''(171) MIDDLETOWN TOWNSHIP, NEW JERSEY.—$1,100,000 for storm sewer improvements, Middletown Township, New Jersey.

''(172) RAHWAY VALLEY, NEW JERSEY.—$25,000,000 for sanitary sewer and storm sewer improvements in the service area of the Rahway Valley Sewerage Authority, New Jersey.

''(173) CRANFORD TOWNSHIP, NEW JERSEY.—$6,000,000 for storm sewer improvements in Cranford Township, New Jersey.

''(174) YATES COUNTY, NEW YORK.—$5,000,000 for drinking water infrastructure, Yates County, New York.

''(175) VILLAGE OF PATCHOGUE, NEW YORK.—$5,000,000 for wastewater infrastructure, Village of Patchogue, New York.

''(176) ELMIRA, NEW YORK.—$5,000,000 for wastewater infrastructure, Elmira, New York.

''(177) ESSEX HAMLET, NEW YORK.—$5,000,000 for wastewater infrastructure, Essex Hamlet, New York.

''(178) NIAGARA FALLS, NEW YORK.—$5,000,000 for wastewater infrastructure, Niagara Falls, New York.

''(179) VILLAGE OF BABYLON, NEW YORK.—$5,000,000 for wastewater infrastructure, Village of Babylon, New York.

''(180) FLEMING, NEW YORK.—$5,000,000 for drinking water infrastructure, Fleming, New York.

''(181) VILLAGE OF KYRIAS-JOEL, NEW YORK.—$5,000,000 for drinking water infrastructure, Village of Kyrias-Joel, New York.

''(182) DEVILS LAKE, NORTH DAKOTA.—$15,000,000 for water supply infrastructure, Devils Lake, North Dakota.

''(183) NORTH DAKOTA.—$15,000,000 for water-related infrastructure, North Dakota.

''(184) CLARK COUNTY, NEVADA.—$50,000,000 for wastewater infrastructure, Clark County, Nevada.

''(185) WASHOE COUNTY, NEVADA.—$14,000,000 for construction of water infrastructure improvements to the Huffaker Hills Reservoir Conservation Project, Washoe County, Nevada.

''(186) GLENDALE DAM DIVERSION STRUCTURE, NEVADA.—$10,000,000 for water system improvements to the Glendale Dam Diversion Structure for the Truckee Meadows Water Authority, Nevada.

''(187) RENO, NEVADA.—$13,000,000 for construction of a water conservation project for the Highland Canal, Mogul Bypass in Reno, Nevada.

''(188) LOS ANGELES COUNTY, CALIFORNIA.—$12,000,000 for the planning, design and construction of water-related environmental infrastructure for Santa Monica Bay and the coastal zone of Los Angeles County, California.

''(189) MONTEBELLO, CALIFORNIA.—$4,000,000 for water infrastructure improvements in south Montebello, California.

''(190) LA MIRADA, CALIFORNIA.—$4,000,000 for the planning, design, and construction of a stormwater program in La Mirada, California.

''(191) EAST PALO ALTO, CALIFORNIA.—$4,000,000 for a new pump station and stormwater management and drainage system, East Palo Alto, California.

''(192) PORT OF STOCKTON, STOCKTON, CALIFORNIA.—$3,000,000 for water and wastewater infrastructure projects for Rough and Ready Island and vicinity, Stockton, California.

''(193) PERRIS, CALIFORNIA.—$3,000,000 project for recycled water transmission infrastructure, Eastern Municipal Water District, Perris, California.

''(194) AMADOR COUNTY, CALIFORNIA.—$3,000,000 for wastewater collection and treatment, Amador County, California.

''(195) CALAVERAS COUNTY, CALIFORNIA.—$3,000,000 for water supply and wastewater improvement projects in Calaveras County, California, including wastewater reclamation, recycling, and conjunctive use projects.

''(196) SANTA MONICA, CALIFORNIA.—$3,000,000 for improving water system reliability, Santa Monica, California.

''(197) MALIBU, CALIFORNIA.—$3,000,000 for municipal waste water and recycled water, Malibu Creek Watershed Protection Project, Malibu, California.

''(198) EASTERN UNITED STATES.—$29,450,000 for water supply and wastewater infrastructure in the Eastern United States.

''(199) WESTERN UNITED STATES.—$29,450,000 for water supply and wastewater infrastructure in the Western United States.''.

SEC. 5004. ALASKA.

Section 570(h) of the Water Resources Development Act of 1999 (113 Stat. 369) is amended by striking ''25,000,000'' and inserting ''40,000,000''.

SEC. 5005. CALIFORNIA.

(a) ESTABLISHMENT OF PROGRAM.—The Secretary may establish a program to provide environmental assistance to non-Federal interests in California.

(b) FORM OF ASSISTANCE.—Assistance under this section may be in the form of design and construction assistance for water-related environmental infrastructure and resource protection and development projects in California, including projects for wastewater treatment and related facilities, water supply and related facilities, environmental restoration, and surface water resource protection and development.

(c) OWNERSHIP REQUIREMENT.—The Secretary may provide assistance for a project under this section only if the project is publicly owned.

(d) PARTNERSHIP AGREEMENTS.—

(1) IN GENERAL.—Before providing assistance under this section, the Secretary shall enter into a partnership agreement with a non-Federal interest to provide for design and construction of the project to be carried out with the assistance.

(2) REQUIREMENTS.—Each partnership agreement entered into under this subsection shall provide for the following:

(A) PLAN.—Development by the Secretary, in consultation with appropriate Federal and State officials, of a facilities or resource protection and development plan, including appropriate engineering plans and specifications.

(B) LEGAL AND INSTITUTIONAL STRUCTURES.—Establishment of such legal and institutional structures as are necessary to ensure the effective long-term operation of the project by the non-Federal interest.

(3) COST SHARING.—

(A) IN GENERAL.—The Federal share of the cost of the project under this section—

(i) shall be 75 percent; and

(ii) may be provided in the form of grants or reimbursements of project costs.

(B) CREDIT FOR DESIGN WORK.—The non-Federal interest shall receive credit for the reasonable costs of design work on a project completed by the non-Federal interest before entering into a local cooperation agreement with the Secretary for a project.

(C) CREDIT FOR INTEREST.—In case of a delay in the funding of the non-Federal share of the costs of a project that is the subject of an agreement under this section, the non-Federal interest shall receive credit for reasonable interest incurred in providing the non-Federal share of the project costs.

(D) CREDIT FOR LAND, EASEMENTS, AND RIGHTS-OF-WAY.—The non-Federal interest shall receive credit for land, easements, rights-of-way, and relocations toward the non-Federal share of project costs (including all reasonable costs associated with obtaining permits necessary for the construction, operation, and maintenance of the project on publicly-owned or -controlled land), but the credit may not exceed 25 percent of total project costs.

(E) OPERATION AND MAINTENANCE.—The non-Federal share of operation and maintenance costs for projects constructed with assistance provided under this section shall be 100 percent.

(e) APPLICABILITY OF OTHER FEDERAL AND STATE LAWS.—Nothing in this section waives, limits, or otherwise affects the applicability of any provision of Federal or State law that would otherwise apply to a project to be carried out with assistance provided under this section.

(f) NONPROFIT ENTITY.—Notwithstanding section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d–5b), for any project carried out under this section, a non-Federal interest may include a nonprofit entity.

(g) EXPENSES OF CORPS OF ENGINEERS.—Not more than 10 percent of amounts made available to carry out this section may be used by the Corps of Engineers district offices to administer projects under this section at Federal expense.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000.

SEC. 5006. CONVEYANCE OF OAKLAND INNER HARBOR TIDAL CANAL PROPERTY.

Section 205 of the Water Resources Development Act of 1990 (104 Stat. 4633; 110 Stat. 3748) is amended to read as follows:

''SEC. 205. CONVEYANCE OF OAKLAND INNER HARBOR TIDAL CANAL PROPERTY.

''(a) IN GENERAL.—The Secretary may convey, without consideration, by separate quitclaim deeds, as soon as the conveyance of each individual portion is practicable, the title of the United States in and to all or portions of the approximately 86 acres of upland, tideland, and submerged land, commonly referred to as the 'Oakland Inner Harbor Tidal Canal,', California (referred to in this section as the 'Canal Property'), as follows:

''(1) To the City of Oakland, the title of the United States in and to all or portions of that part of the Canal Property that are located within the boundaries of the City of Oakland.

''(2) To the City of Alameda, or to an entity created by or designated by the City of Alameda that is eligible to hold title to real property, the title of the United States in and to all or portions of that part of the Canal Property that are located within the boundaries of the City of Alameda.

''(3) To the adjacent land owners, or to an entity created by or designated by 1 or more of the adjacent landowners that is eligible to hold title to real property, the title of the United States in and to all or portions of that part of the Canal Property that are located within the boundaries of the city in which the adjacent land owners reside.

''(b) REQUIREMENTS.—

''(1) RESERVATIONS.—The Secretary may reserve and retain from any conveyance under this section a right-of-way or other rights as the Secretary determines to be necessary for the operation and maintenance of the authorized Federal channel in the Canal Property.

''(2) COST.—The conveyances under this section, and the processes involved in the conveyances, shall be at no cost to the United States, except for administrative costs.

''(c) ANNUAL REPORTS.—Until the date on which each conveyance described in subsection (a) is complete, the Secretary shall submit, by not later than 60 days after the end of each fiscal year, to the Committee on Environment and Public Works of the Senate and Committee on Transportation and Infrastructure of the House of Representatives an annual report that describes the efforts of the Secretary to complete the conveyances during the preceding fiscal year.''.

SEC. 5007. STOCKTON, CALIFORNIA.

(a) IN GENERAL.—Unless the Secretary determines, by not later than 30 days after the date of enactment of this Act, that the relocation of the project described in subsection (b) would be injurious to the public interest, a non-Federal interest may reconstruct and relocate that project approximately 300 feet in a westerly direction.

(b) PROJECT DESCRIPTION.—

(1) IN GENERAL.—The project referred to in subsection (a) is the project for flood control, Calaveras River and Littlejohn Creek and tributaries, California, authorized by section 10 of the Act of December 22, 1944 (commonly known as the ''Flood Control Act of 1944'') (58 Stat. 902).

(2) SPECIFIC DESCRIPTION.—The portion of the project to be reconstructed and relocated is that portion consisting of approximately 5.34 acres of dry land levee beginning at a point N. 2203542.3167, E. 6310930.1385, thence running west about 59.99 feet to a point N. 2203544.6562, E. 6310870.1468, thence running south about 3,874.99 feet to a point N. 2199669.8760, E. 6310861.7956, thence running east about 60.00 feet to a point N. 2199668.8026, E. 6310921.7900, thence running north about 3,873.73 feet to the point of origin.

(c) COST SHARING.—The non-Federal share of the cost of reconstructing and relocating the project described in subsection (b) shall be 100 percent.

SEC. 5008. RIO GRANDE ENVIRONMENTAL MANAGEMENT PROGRAM, COLORADO, NEW MEXICO, AND TEXAS.

(a) SHORT TITLE.—This section may be cited as the ''Rio Grande Environmental Management Act of 2007''.

(b) DEFINITIONS.—In this section:

(1) RIO GRANDE COMPACT.—The term ''Rio Grande Compact'' means the compact approved by Congress under the Act of May 31, 1939 (53 Stat. 785, chapter 155), and ratified by the States.

(2) RIO GRANDE BASIN.—The term ''Rio Grande Basin'' means the Rio Grande (including all tributaries and their headwaters) located—

(A) in the State of Colorado, from the Rio Grande Reservoir, near Creede, Colorado, to the New Mexico State border;

(B) in the State of New Mexico, from the Colorado State border downstream to the Texas State border; and

(C) in the State of Texas, from the New Mexico State border to the southern terminus of the Rio Grande at the Gulf of Mexico.

(3) STATES.—The term ''States'' means the States of Colorado, New Mexico, and Texas.

(c) PROGRAM AUTHORITY.—The Secretary shall carry out, in the Rio Grande Basin—

(1) a program for the planning, construction, and evaluation of measures for fish and wildlife habitat rehabilitation and enhancement; and

(2) implementation of a long-term monitoring, computerized data inventory and analysis, applied research, and adaptive management program.

(d) STATE AND LOCAL CONSULTATION AND COOPERATIVE EFFORT.—For the purpose of ensuring the coordinated planning and implementation of the programs described in subsection (c), the Secretary shall consult with the States and other appropriate entities in the States the rights and interests of which might be affected by specific program activities.

(e) COST SHARING.—

(1) IN GENERAL.—

(A) PROJECTS ON FEDERAL LAND.—Each project under this section located on Federal land shall be carried out at full Federal expense.

(B) OTHER PROJECTS.—For each project under subsection (c)(1) located on non-Federal land, the non-Federal share of the cost of the project—

(i) shall be 35 percent;

(ii) may be provided through in-kind services or direct cash contributions; and

(iii) shall include the provision of necessary land, easements, relocations, and disposal sites.

(f) NONPROFIT ENTITIES.—Notwithstanding section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d–5b), with the consent of the affected local government, a nonprofit entity may be included as a non-Federal interest for any project carried out under subsection (c)(1).

(g) EFFECT ON OTHER LAW.—

(1) WATER LAW.—Nothing in this section preempts any State water law.

(2) COMPACTS AND DECREES.—In carrying out this section, the Secretary shall comply with the Rio Grande Compact, and any applicable court decrees or Federal and State laws, affecting water or water rights in the Rio Grande Basin.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section $15,000,000 for each of fiscal years 2008 through 2011.

SEC. 5009. DELMARVA CONSERVATION CORRIDOR, DELAWARE AND MARYLAND.

(a) ASSISTANCE.—The Secretary may provide technical assistance to the Secretary of Agriculture for use in carrying out the Conservation Corridor Demonstration Program established under subtitle G of title II of the Farm Security and Rural Investment Act of 2002 (16 U.S.C. 3801 note; 116 Stat. 275).

(b) COORDINATION AND INTEGRATION.—In carrying out water resources projects in the States on the Delmarva Peninsula, the Secretary shall coordinate and integrate those projects, to the maximum extent practicable, with any activities carried out to implement a conservation corridor plan approved by the Secretary of Agriculture under section 2602 of the Farm Security and Rural Investment Act of 2002 (16 U.S.C. 3801 note; 116 Stat. 275).

SEC. 5010. SUSQUEHANNA, DELAWARE, AND POTOMAC RIVER BASINS, DELAWARE, MARYLAND, PENNSYLVANIA, AND VIRGINIA.

(a) EX OFFICIO MEMBER.—Notwithstanding section 3001(a) of the 1997 Emergency Supplemental Appropriations Act for Recovery From Natural Disasters, and for Overseas Peacekeeping Efforts, Including Those in Bosnia (111 Stat. 176) and sections 2.2 of the Susquehanna River Basin Compact (Public Law 91–575) and the Delaware River Basin Compact (Public Law 87–328), beginning in fiscal year 2002, and each fiscal year thereafter, the Division Engineer, North Atlantic Division, Corps of Engineers—

(1) shall be—

(A) the ex officio United States member under the Susquehanna River Basin Compact and the Delaware River Basin Compact; and

(B) 1 of the 3 members appointed by the President under the Potomac River Basin Compact;

(2) shall serve without additional compensation; and

(3) may designate an alternate member in accordance with the terms of those compacts.

(b) AUTHORIZATION TO ALLOCATE.—The Secretary shall allocate funds to the Susquehanna River Basin Commission, Delaware River Basin Commission, and the Interstate Commission on the Potomac River Basin (Potomac River Basin Compact (Public Law 91–407)) to fulfill the equitable funding requirements of the respective interstate compacts.

(c) WATER SUPPLY AND CONSERVATION STORAGE, DELAWARE RIVER BASIN.—

(1) IN GENERAL.—The Secretary shall enter into an agreement with the Delaware River Basin Commission to provide temporary water supply and conservation storage at the Francis E. Walter Dam, Pennsylvania, for any period during which the Commission has determined that a drought warning or drought emergency exists.

(2) LIMITATION.—The agreement shall provide that the cost for water supply and conservation storage under paragraph (1) shall not exceed the incremental operating costs associated with providing the storage.

(d) WATER SUPPLY AND CONSERVATION STORAGE, SUSQUEHANNA RIVER BASIN.—

(1) IN GENERAL.—The Secretary shall enter into an agreement with the Susquehanna River Basin Commission to provide temporary water supply and conservation storage at Federal facilities operated by the Corps of Engineers in the Susquehanna River Basin, during any period in which the Commission has determined that a drought warning or drought emergency exists.

(2) LIMITATION.—The agreement shall provide that the cost for water supply and conservation storage under paragraph (1) shall not exceed the incremental operating costs associated with providing the storage.

(e) WATER SUPPLY AND CONSERVATION STORAGE, POTOMAC RIVER BASIN.—

(1) IN GENERAL.—The Secretary shall enter into an agreement with the Interstate Commission on the Potomac River Basin to provide temporary water supply and conservation storage at Federal facilities operated by the Corps of Engineers in the Potomac River Basin for any period during which the Commission has determined that a drought warning or drought emergency exists.

(2) LIMITATION.—The agreement shall provide that the cost for water supply and conservation storage under paragraph (1) shall not exceed the incremental operating costs associated with providing the storage.

SEC. 5011. ANACOSTIA RIVER, DISTRICT OF COLUMBIA AND MARYLAND.

(a) COMPREHENSIVE ACTION PLAN.—Not later than 2 years after the date of enactment of this Act, the Secretary, in coordination with the Mayor of the District of Columbia, the Governor of Maryland, the county executives of Montgomery County and Prince George's County, Maryland, and other stakeholders, shall develop and make available to the public a 10-year comprehensive action plan to provide for the restoration and protection of the ecological integrity of the Anacostia River and its tributaries.

(b) PUBLIC AVAILABILITY.—On completion of the comprehensive action plan under subsection (a), the Secretary shall make the plan available to the public.

SEC. 5012. BIG CREEK, GEORGIA, WATERSHED MANAGEMENT AND RESTORATION PROGRAM.

(a) IN GENERAL.—The Secretary, acting through the Chief of Engineers, is authorized to cooperate with, by providing technical, planning, and construction assistance to, the city of Roswell, Georgia, as local sponsor and coordinator with other local governments in the Big Creek watershed, Georgia, to assess the quality and quantity of water resources, conduct comprehensive watershed management planning, develop and implement water efficiency technologies and programs, and plan, design, and construct water resource facilities to restore the watershed.

(b) FEDERAL SHARE.—The Federal share of the cost of the project under this section—

(1) shall be 65 percent; and

(2) may be provided in any combination of cash and in-kind services.

(c) AUTHORIZATION OF APPROPRIATIONS.—here is authorized to be appropriated to the Secretary $5,000,000 to carry out this section.

SEC. 5013. METROPOLITAN NORTH GEORGIA WATER PLANNING DISTRICT.

(a) ESTABLISHMENT OF PROGRAM.—The Secretary shall establish a program to provide environmental assistance to non-Federal interests in the Metropolitan North Georgia Water Planning District.

(b) FORM OF ASSISTANCE.—Assistance under this section may be in the form of design and construction assistance for water-related environmental infrastructure and resource protection and development projects in north Georgia, including projects for wastewater treatment and related facilities, elimination or control of combined sewer overflows, water supply and related facilities, environmental restoration, and surface water resource protection and development.

(c) PUBLIC OWNERSHIP REQUIREMENT.—The Secretary may provide assistance for a project under this section only if the project is publicly owned.

(d) LOCAL COOPERATION AGREEMENT.—

(1) IN GENERAL.—Before providing assistance under this section, the Secretary shall enter into a local cooperation agreement with a non-Federal interest to provide for design and construction of the project to be carried out with the assistance.

(2) REQUIREMENTS.—Each local cooperation agreement entered into under this subsection shall provide for the following:

(A) PLAN.—Development by the Secretary, in consultation with appropriate Federal and State officials, of a facilities or resource protection and development plan, including appropriate engineering plans and specifications.

(B) LEGAL AND INSTITUTIONAL STRUCTURES.—Establishment of such legal and institutional structures as are necessary to ensure the effective long-term operation of the project by the non-Federal interest.

(3) COST SHARING.—

(A) IN GENERAL.—The Federal share of project costs under each local cooperation agreement entered into under this subsection—

(i) shall be 75 percent; and

(ii) may be in the form of grants or reimbursements of project costs.

(B) CREDIT FOR DESIGN WORK.—The non-Federal interest shall receive credit, not to exceed 6 percent of the total construction costs of the project, for the reasonable costs of design work completed by the non-Federal interest before entering into a local cooperation agreement with the Secretary for a project.

(C) CREDIT FOR INTEREST.—In case of a delay in the funding of the non-Federal share of the costs of a project that is the subject of an agreement under this section, the non-Federal interest shall receive credit for reasonable interest incurred in providing the non-Federal share of the project costs.

(D) CREDIT FOR LAND, EASEMENTS, AND RIGHTS-OF-WAY.—The non-Federal interest shall receive credit for land, easements, rights-of-way, and relocations toward the non-Federal share of project costs (including all reasonable costs associated with obtaining permits necessary for the construction, operation, and maintenance of the project on publicly-owned or -controlled land), but not to exceed 25 percent of total project costs.

(E) OPERATION AND MAINTENANCE.—The non-Federal share of operation and maintenance costs for projects constructed with assistance provided under this section shall be 100 percent.

(e) APPLICABILITY OF OTHER FEDERAL AND STATE LAWS.—Nothing in this section waives, limits, or otherwise affects the applicability of any provision of Federal or State law that would otherwise apply to a project to be carried out with assistance provided under this section.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $20,000,000, to remain available until expended.

SEC. 5014. IDAHO, MONTANA, RURAL NEVADA, NEW MEXICO, RURAL UTAH, AND WYOMING.

Section 595 of the Water Resources Development Act of 1999 (113 Stat. 383; 117 Stat. 139; 117 Stat. 142; 117 Stat. 1836; 118 Stat. 440) is amended—

(1) in the section heading, by striking ''**AND RURAL UTAH**'' and inserting ''**RURAL UTAH, AND WYOMING**'';

(2) in subsections (b) and (c), by striking ''and rural Utah'' each place it appears and inserting ''rural Utah, and Wyoming''; and

(3) by amending subsection (h) to read as follows:

''(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section for the period beginning with fiscal year 2001 $150,000,000 for rural Nevada, and $25,000,000 for each of Montana and New Mexico, $55,000,000 for Idaho, $50,000,000 for rural Utah, and $30,000,000 for Wyoming, to remain available until expended.''.

SEC. 5015. CHICAGO SANITARY AND SHIP CANAL DISPERSAL BARRIERS PROJECT, ILLINOIS.

(a) TREATMENT AS SINGLE PROJECT.—The Chicago Sanitary and Ship Canal Dispersal Barrier Project (Barrier I) (as in existence on the date of enactment of this Act), constructed as a demonstration project under section 1202(i)(3) of the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (16 U.S.C. 4722(i)(3)), and Barrier II, as authorized by section 345 of the District of Columbia Appropriations Act, 2005 (Public Law 108–335; 118 Stat. 1352), shall be considered to constitute a single project.

(b) AUTHORIZATION.—

(1) IN GENERAL.—The Secretary, acting through the Chief of Engineers, is authorized and directed, at full Federal expense—

(A) to upgrade and make permanent Barrier I;

(B) to construct Barrier II, notwithstanding the project cooperation agreement with the State of Illinois dated June 14, 2005;

(C) to operate and maintain Barrier I and Barrier II as a system to optimize effectiveness;

(D) to conduct, in consultation with appropriate Federal, State, local, and nongovernmental entities, a study of a full range of options and technologies for reducing impacts of hazards that may reduce the efficacy of the Barriers; and

(E) to provide to each State a credit in an amount equal to the amount of funds contributed by the State toward Barrier II.

(2) USE OF CREDIT.—A State may apply a credit received under paragraph (1)(E) to any cost sharing responsibility for an existing or future Federal project with the Corps of Engineers in the State.

(c) FEASIBILITY STUDY.—The Secretary, in consultation with appropriate Federal, State, local, and nongovernmental entities, shall conduct a feasibility study, at full Federal expense, of the range of options and technologies available to prevent the spread of aquatic nuisance species between the Great Lakes and Mississippi River Basins and through the Chicago Sanitary and Ship Canal and other aquatic pathways.

(d) CONFORMING AMENDMENTS.—

(1) NONINDIGENOUS AQUATIC NUISANCE PREVENTION AND CONTROL.—Section 1202(i)(3)(C) of the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (16 U.S.C. 4722(i)(3)(C)), is amended by striking '', to carry out this paragraph, $750,000'' and inserting ''such sums as are necessary to carry out the dispersal barrier demonstration project under this paragraph''.

(2) BARRIER II AUTHORIZATION.—Section 345 of the District of Columbia Appropriations Act, 2005 (Public Law 108–335; 118 Stat. 1352), is amended to read as follows:

''SEC. 345. CHICAGO SANITARY AND SHIP CANAL DISPERSAL BARRIER, ILLINOIS.

''There are authorized to be appropriated such sums as are necessary to carry out the Barrier II project of the project for the Chicago Sanitary and Ship Canal Dispersal Barrier, Illinois, initiated pursuant to section 1135 of the Water Resources Development Act of 1986 (33 U.S.C. 2294 note; 100 Stat. 4251).''.

SEC. 5016. MISSOURI RIVER AND TRIBUTARIES, MITIGATION, RECOVERY AND RESTORATION, IOWA, KANSAS, MISSOURI, MONTANA, NEBRASKA, NORTH DAKOTA, SOUTH DAKOTA, AND WYOMING.

(a) STUDY.—

(1) IN GENERAL.—The Secretary, in consultation with the Missouri River Recovery and Implementation Committee established by subsection (b)(1), shall conduct a study of the Missouri River and its tributaries to determine actions required—

(A) to mitigate losses of aquatic and terrestrial habitat;

(B) to recover federally listed species under the Endangered Species Act (16 U.S.C. 1531 et seq.); and

(C) to restore the ecosystem to prevent further declines among other native species.

(2) FUNDING.—The study under paragraph (1) shall be funded under the Missouri River Fish and Wildlife Mitigation Program.

(b) MISSOURI RIVER RECOVERY IMPLEMENTATION COMMITTEE.—

(1) ESTABLISHMENT.—Not later than June 31, 2006, the Secretary shall establish a committee to be known as the ''Missouri River Recovery Implementation Committee'' (referred to in this section as the ''Committee'').

(2) MEMBERSHIP.—The Committee shall include representatives from—

(A) Federal agencies;

(B) States located near the Missouri River Basin; and

(C) other appropriate entities, as determined by the Secretary, including—

(i) water management and fish and wildlife agencies;

(ii) Indian tribes located near the Missouri River Basin; and

(iii) nongovernmental stakeholders.

(3) DUTIES.—The Commission shall—

(A) with respect to the study under subsection (a), provide guidance to the Secretary and any other affected Federal agency, State agency, or Indian tribe;

(B) provide guidance to the Secretary with respect to the Missouri River recovery and mitigation program in existence on the date of enactment of this Act, including recommendations relating to—

(i) changes to the implementation strategy from the use of adaptive management; and

(ii) the coordination of the development of consistent policies, strategies, plans, programs, projects, activities, and priorities for the program;

(C) exchange information regarding programs, projects, and activities of the agencies and entities represented on the Committee to promote the goals of the Missouri River recovery and mitigation program;

(D) establish such working groups as the Committee determines to be necessary to assist in carrying out the duties of the Committee, including duties relating to public policy and scientific issues;

(E) facilitate the resolution of interagency and intergovernmental conflicts between entities represented on the Committee associated with the Missouri River recovery and mitigation program;

(F) coordinate scientific and other research associated with the Missouri River recovery and mitigation program; and

(G) annually prepare a work plan and associated budget requests.

(4) COMPENSATION; TRAVEL EXPENSES.—

(A) COMPENSATION.—Members of the Committee shall not receive compensation from the Secretary in carrying out the duties of the Committee under this section.

(B) TRAVEL EXPENSES.—Travel expenses incurred by a member of the Committee in carrying out the duties of the Committee under this section shall be paid by the agency, Indian tribe, or unit of government represented by the member.

(c) NONAPPLICABILITY OF FACA.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Committee.

SEC. 5017. SOUTHEAST LOUISIANA REGION, LOUISIANA.

(a) DEFINITION OF SOUTHEAST LOUISIANA REGION.—In this section, the term ''Southeast Louisiana Region'' means any of the following parishes and municipalities in the State of Louisiana:

(1) Orleans.
(2) Jefferson.
(3) St. Tammany.
(4) Tangipahoa.
(5) St. Bernard.
(6) St. Charles.
(7) St. John.
(8) Plaquemines.

(b) ESTABLISHMENT OF PROGRAM.—The Secretary may establish a program to provide environmental assistance to non-Federal interests in the Southeast Louisiana Region.

(c) FORM OF ASSISTANCE.—Assistance provided under this section may be in the form of design and construction assistance for water-related environmental infrastructure and resource protection and development projects in the Southeast Louisiana Region, including projects for wastewater treatment and related facilities, water supply and related facilities, environmental restoration, and surface water resource protection and development (including projects to improve water quality in the Lake Pontchartrain Basin).

(d) OWNERSHIP REQUIREMENT.—The Secretary may provide assistance for a project under this section only if the project is publicly owned.

(e) PARTNERSHIP AGREEMENTS.—

(1) IN GENERAL.—Before providing assistance under this section, the Secretary shall enter into a partnership agreement with a non-Federal interest to provide for design and construction of the project to be carried out with the assistance.

(2) REQUIREMENTS.—Each partnership agreement of a project entered into under this subsection shall provide for the following:

(A) PLAN.—Development by the Secretary, in consultation with appropriate Federal and State officials, of a facilities or resource protection and development plan, including appropriate engineering plans and specifications.

(B) LEGAL AND INSTITUTIONAL STRUCTURES.—Establishment of such legal and institutional structures as are necessary to ensure the effective long-term operation of the project by the non-Federal interest.

(3) COST SHARING.—The Federal share of the cost of the project under this section—

(A) shall be 75 percent; and

(B) may be provided in the form of grants or reimbursements of project costs.

(C) CREDIT FOR DESIGN WORK.—The non-Federal interest shall receive credit, not to exceed 6 percent of the total construction costs of the project, for the reasonable costs of design work completed by the non-Federal interest before entering into a local cooperation agreement with the Secretary for a project.

(D) CREDIT FOR INTEREST.—In case of a delay in the funding of the non-Federal share of the costs of a project that is the subject of an agreement under this section, the non-Federal interest shall receive credit for reasonable interest incurred in providing the non-Federal share of the project costs.

(E) CREDIT FOR LAND, EASEMENTS, AND RIGHTS-OF-WAY.—The non-Federal interest shall receive credit for land, easements, rights-of-way, and relocations toward the non-Federal share of project costs (including all reasonable costs associated with obtaining permits necessary for the construction, operation, and maintenance of the project on publicly-owned or -controlled land), but not to exceed 25 percent of total project costs.

(F) OPERATION AND MAINTENANCE.—The non-Federal share of operation and maintenance costs for projects constructed with assistance provided under this section shall be 100 percent.

(f) APPLICABILITY OF OTHER FEDERAL AND STATE LAWS.—Nothing in this section waives, limits, or otherwise affects the applicability of any provision of Federal or State law that would otherwise apply to a project to be carried out with assistance provided under this section.

(g) NONPROFIT ENTITY.—Notwithstanding section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d–5b), for any project carried out under this section, a non-Federal interest may include a nonprofit entity.

(h) EXPENSES OF CORPS OF ENGINEERS.—Not more than 10 percent of amounts made available to carry out this section may be used by the Corps of Engineers district offices to administer projects under this section at Federal expense.

(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $17,000,000, to remain available until expended.

SEC. 5018. MISSISSIPPI.

Section 592(g) of the Water Resources Development Act of 1999 (113 Stat. 380; 117 Stat. 1837) is amended by striking ''$100,000,000'' and inserting ''$110,000,000''.

SEC. 5019. ST. MARY PROJECT, BLACKFEET RESERVATION, MONTANA.

(a) IN GENERAL.—The Secretary, in consultation with the Bureau of Reclamation, shall conduct all necessary studies, develop an emergency response plan, provide technical and planning and design assistance, and rehabilitate and construct the St. Mary Diversion and Conveyance Works project located within the exterior boundaries of the Blackfeet Reservation in the State of Montana, at a total cost of $140,000,000.

(b) FEDERAL SHARE.—The Federal share of the total cost of the project under this section shall be 75 percent.

(c) PARTICIPATION BY BLACKFEET TRIBE AND FORT BELKNAP INDIAN COMMUNITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), no construction shall be carried out under this section until the earlier of—

(A) the date on which Congress approves the reserved water rights settlements of the Blackfeet Tribe and the Fort Belknap Indian Community; and

(B) January 1, 2011.

(2) EXCEPTION.—Paragraph (1) shall not apply with respect to construction relating to—

(A) standard operation and maintenance; or

(B) emergency repairs to ensure water transportation or the protection of life and property.

(3) REQUIREMENT.—The Blackfeet Tribe shall be a participant in all phases of the project authorized by this section.

SEC. 5020. LOWER PLATTE RIVER WATERSHED RESTORATION, NEBRASKA.

(a) IN GENERAL.—The Secretary, acting through the Chief of Engineers, may cooperate with and provide assistance to the Lower Platte River natural resources districts in the State of Nebraska to serve as local sponsors with respect to—

(1) conducting comprehensive watershed planning in the natural resource districts;

(2) assessing water resources in the natural resource districts; and

(3) providing project feasibility planning, design, and construction assistance for water resource and watershed management in the natural resource districts, including projects for environmental restoration and flood damage reduction.

(b) FUNDING.—

(1) FEDERAL SHARE.—The Federal share of the cost of carrying out an activity described in subsection (a) shall be 65 percent.

(2) NON-FEDERAL SHARE.—The non-Federal share of the cost of carrying out an activity described in subsection (a)—

(A) shall be 35 percent; and

(B) may be provided in cash or in-kind.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section $12,000,000.

SEC. 5021. NORTH CAROLINA.

(a) ESTABLISHMENT OF PROGRAM.—The Secretary shall establish a program to provide environmental assistance to non-Federal interests in the State of North Carolina.

(b) FORM OF ASSISTANCE.—Assistance under this section may be in the form of design and construction assistance for environmental infrastructure and resource protection and development projects in North Carolina, including projects for—

(1) wastewater treatment and related facilities;

(2) combined sewer overflow, water supply, storage, treatment, and related facilities;

(3) drinking water infrastructure including treatment and related facilities;

(4) environmental restoration;

(5) storm water infrastructure; and

(6) surface water resource protection and development.

(c) PUBLIC OWNERSHIP REQUIREMENT.—The Secretary may provide assistance for a project under this section only if the project is publicly owned.

(d) PROJECT COOPERATION AGREEMENTS.—

(1) IN GENERAL.—Before providing assistance under this section, the Secretary shall enter into a project cooperation agreement with a non-Federal interest to provide for design and construction of the project to be carried out with the assistance.

(2) REQUIREMENTS.—Each project cooperation agreement entered into under this subsection shall provide for the following:

(A) PLAN.—Development by the Secretary, in consultation with appropriate Federal and State officials, of a facilities development plan or resource protection plan, including appropriate plans and specifications.

(B) LEGAL AND INSTITUTIONAL STRUCTURES.—Establishment of such legal and institutional structures as are necessary to ensure the effective long-term operation of the project by the non-Federal interest.

(3) COST SHARING.—

(A) IN GENERAL.—The Federal share of the cost of the project under this section—

(i) shall be 75 percent; and

(ii) may be provided in the form of grants or reimbursements of project costs.

(B) CREDIT FOR DESIGN WORK.—The non-Federal interest shall receive credit, not to exceed 6 percent of the total construction costs of the project, for the reasonable costs of design work completed by the non-Federal interest before entering into a local cooperation agreement with the Secretary for a project.

(C) CREDIT FOR INTEREST.—In case of a delay in the funding of the non-Federal share of the costs of a project that is the subject of an agreement under this section, the non-Federal interest shall receive credit for reasonable interest incurred in providing the non-Federal share of the project costs.

(D) CREDIT FOR LAND, EASEMENTS, AND RIGHTS-OF-WAY.—The non-Federal interest shall receive credit for land, easements, rights-of-way, and relocations toward the non-Federal share of project costs (including all reasonable costs associated with obtaining permits necessary for the construction, operation, and maintenance of the project on publicly-owned or -controlled land).

(E) OPERATION AND MAINTENANCE.—The non-Federal share of operation and maintenance costs for projects constructed with assistance provided under this section shall be 100 percent.

(e) APPLICABILITY OF OTHER FEDERAL AND STATE LAWS.—Nothing in this section waives, limits, or otherwise affects the applicability of any provision of Federal or State law that would otherwise apply to a project to be carried out with assistance provided under this section.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $13,000,000.

SEC. 5022. OHIO RIVER BASIN ENVIRONMENTAL MANAGEMENT.

(a) DEFINITIONS.—In this section:

(1) OHIO RIVER BASIN.—The term ''Ohio River Basin'' means the Ohio River, its backwaters, its side channels, and all tributaries (including their watersheds) that drain into the Ohio River and encompassing areas of any of the States of Indiana, Ohio, Kentucky, Pennsylvania, West Virginia, Illinois, New York, and Virginia.

(2) COMPACT.—The term ''Compact'' means the Ohio River Watershed Sanitation Commission flood and pollution control compact between the States of Indiana, West Virginia, Ohio, Kentucky, Pennsylvania, New York, Illinois, and Virginia, approved by Congress in 1936 pursuant to the first section of the Act of June 8, 1936 (33 U.S.C. 567a), and chartered in 1948.

(b) ASSISTANCE.—The Secretary may provide planning, design, and construction assistance to the Compact for the improvement of the quality of the environment in and along the Ohio River Basin.

(c) PRIORITIES.—In providing assistance under this section, the Secretary shall give priority to reducing or eliminating the presence of organic pollutants in the Ohio River Basin through the renovation and technological improvement of the organic detection system monitoring stations along the Ohio River in the States of Indiana, Ohio, West Virginia, Kentucky, and Pennsylvania.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $2,500,000.

SEC. 5023. STATEWIDE COMPREHENSIVE WATER PLANNING, OKLAHOMA.

(a) IN GENERAL.—The Secretary shall provide technical assistance for the development of updates of the Oklahoma Comprehensive Water Plan.

(b) TECHNICAL ASSISTANCE.—Technical assistance provided under subsection (a) may include—

(1) acquisition of hydrologic data, groundwater characterization, database development, and data distribution;

(2) expansion of surface water and groundwater monitoring networks;

(3) assessment of existing water resources, surface water storage, and groundwater storage potential;

(4) numerical analysis and modeling necessary to provide an integrated understanding of water resources and water management options;

(5) participation in State planning forums and planning groups;

(6) coordination of Federal water management planning efforts; and

(7) technical review of data, models, planning scenarios, and water plans developed by the State.

(c) ALLOCATION.—The Secretary shall allocate, subject to the availability of appropriations, $6,500,000 to provide technical assistance and for the development of updates of the Oklahoma Comprehensive water plan.

(d) COST SHARING REQUIREMENT.—The non-Federal share of the total cost of any activity carried out under this section—

(1) shall be 25 percent; and

(2) may be in the form of cash or any in-kind services that the Secretary determines would contribute substantially toward the conduct and completion of the activity assisted.

SEC. 5024. CHEYENNE RIVER SIOUX TRIBE, LOWER BRULE SIOUX TRIBE, AND TERRESTRIAL WILDLIFE HABITAT RESTORATION, SOUTH DAKOTA.

(a) DISBURSEMENT PROVISIONS OF STATE OF SOUTH DAKOTA AND CHEYENNE RIVER SIOUX TRIBE AND LOWER BRULE SIOUX TRIBE TERRESTRIAL WILDLIFE HABITAT RESTORATION TRUST

FUNDS.—Section 602(a)(4) of the Water Resources Development Act of 1999 (113 Stat. 386) is amended—

(1) in subparagraph (A)—

(A) in clause (i), by inserting ''and the Secretary of the Treasury'' after ''Secretary''; and

(B) by striking clause (ii) and inserting the following:

''(ii) AVAILABILITY OF FUNDS.—On notification in accordance with clause (i), the Secretary of the Treasury shall make available to the State of South Dakota funds from the State of South Dakota Terrestrial Wildlife Habitat Restoration Trust Fund established under section 603, to be used to carry out the plan for terrestrial wildlife habitat restoration submitted by the State of South Dakota after the State certifies to the Secretary of the Treasury that the funds to be disbursed will be used in accordance with section 603(d)(3) and only after the Trust Fund is fully capitalized.''; and

(2) in subparagraph (B), by striking clause (ii) and inserting the following:

''(ii) AVAILABILITY OF FUNDS.—On notification in accordance with clause (i), the Secretary of the Treasury shall make available to the Cheyenne River Sioux Tribe and the Lower Brule Sioux Tribe funds from the Cheyenne River Sioux Terrestrial Wildlife Habitat Restoration Trust Fund and the Lower Brule Sioux Terrestrial Wildlife Habitat Restoration Trust Fund, respectively, established under section 604, to be used to carry out the plans for terrestrial wildlife habitat restoration submitted by the Cheyenne River Sioux Tribe and the Lower Brule Sioux Tribe, respectively, after the respective tribe certifies to the Secretary of the Treasury that the funds to be disbursed will be used in accordance with section 604(d)(3) and only after the Trust Fund is fully capitalized.''.

(b) INVESTMENT PROVISIONS OF STATE OF SOUTH DAKOTA TERRESTRIAL WILDLIFE RESTORATION TRUST FUND.—Section 603 of the Water Resources Development Act of 1999 (113 Stat. 388) is amended—

(1) by striking subsection (c) and inserting the following:

''(c) INVESTMENTS.—

''(1) ELIGIBLE OBLIGATIONS.—Notwithstanding any other provision of law, the Secretary of the Treasury shall invest the amounts deposited under subsection (b) and the interest earned on those amounts only in interest-bearing obligations of the United States issued directly to the Fund.

''(2) INVESTMENT REQUIREMENTS.—

''(A) IN GENERAL.—The Secretary of the Treasury shall invest the Fund in accordance with all of the requirements of this paragraph.

''(B) SEPARATE INVESTMENTS OF PRINCIPAL AND INTEREST.—

''(i) PRINCIPAL ACCOUNT.—The amounts deposited in the Fund under subsection (b) shall be credited to an account within the Fund (referred to in this paragraph as the 'principal account') and invested as provided in subparagraph (C).

''(ii) INTEREST ACCOUNT.—The interest earned from investing amounts in the principal account of the Fund shall be transferred to a separate account within the Fund (referred to in this paragraph as the 'interest account') and invested as provided in subparagraph (D).

''(iii) CREDITING.—The interest earned from investing amounts in the interest account of the Fund shall be credited to the interest account.

''(C) INVESTMENT OF PRINCIPAL ACCOUNT.—

''(i) INITIAL INVESTMENT.—Each amount deposited in the principal account of the Fund shall be invested initially in eligible obligations having the shortest maturity then available until the date on which the amount is divided into 3 substantially equal portions and those portions are invested in eligible obligations that are identical (except for transferability) to the next-issued publicly issued Treasury obligations having a 2-year maturity, a 5-year maturity, and a 10-year maturity, respectively.

''(ii) SUBSEQUENT INVESTMENT.—As each 2-year, 5-year, and 10-year eligible obligation matures, the principal of the maturing eligible obligation shall also be invested initially in the shortest-maturity eligible obligation then available until the principal is reinvested substantially equally in the eligible obligations that are identical (except for transferability) to the next-issued publicly issued Treasury obligations having 2-year, 5-year, and 10-year maturities.

''(iii) DISCONTINUANCE OF ISSUANCE OF OBLIGATIONS.—If the Department of the Treasury discontinues issuing to the public obligations having 2-year, 5-year, or 10-year maturities, the principal of any maturing eligible obligation shall be reinvested substantially equally in eligible obligations that are identical (except for transferability) to the next-issued publicly issued Treasury obligations of the maturities longer than 1 year then available.

''(D) INVESTMENT OF INTEREST ACCOUNT.—

''(i) BEFORE FULL CAPITALIZATION.—Until the date on which the Fund is fully capitalized, amounts in the interest account of the Fund shall be invested in eligible obligations that are identical (except for transferability) to publicly issued Treasury obligations that have maturities that coincide, to the maximum extent practicable, with the date on which the Fund is expected to be fully capitalized.

''(ii) AFTER FULL CAPITALIZATION.—On and after the date on which the Fund is fully capitalized, amounts in the interest account of the Fund shall be invested and reinvested in eligible obligations having the shortest maturity then available until the amounts are withdrawn and transferred to fund the activities authorized under subsection (d)(3).

''(E) PAR PURCHASE PRICE.—The price to be paid for eligible obligations purchased as investments of the principal account shall not exceed the par value of the obligations so that the amount of the principal account shall be preserved in perpetuity.

''(F) HIGHEST YIELD.—Among eligible obligations having the same maturity and purchase price, the obligation to be purchased shall be the obligation having the highest yield.

''(G) HOLDING TO MATURITY.—Eligible obligations purchased shall generally be held to their maturities.

''(3) ANNUAL REVIEW OF INVESTMENT ACTIVITIES.—Not less frequently than once each calendar year, the Secretary of the Treasury shall review with the State of South Dakota the results of the investment activities and financial status of the Fund during the preceding 12-month period.

''(4) AUDITS.—

''(A) IN GENERAL.—The activities of the State of South Dakota (referred to in this subsection as the 'State') in carrying out the plan of the State for terrestrial wildlife habitat restoration under section 602(a) shall be audited as part of the annual audit that the State is required to prepare under the Office of Management and Budget Circular A–133 (or a successor circulation).

''(B) DETERMINATION BY AUDITORS.—An auditor that conducts an audit under subparagraph (A) shall—

''(i) determine whether funds received by the State under this section during the period covered by the audit were used to carry out the plan of the State in accordance with this section; and

''(ii) include the determination under clause (i) in the written findings of the audit.

''(5) MODIFICATION OF INVESTMENT REQUIREMENTS.—

''(A) IN GENERAL.—If the Secretary of the Treasury determines that meeting the requirements under paragraph (2) with respect to the investment of a Fund is not practicable, or would result in adverse consequences for the Fund, the Secretary shall modify the requirements, as the Secretary determines to be necessary.

''(B) CONSULTATION.—Before modifying a requirement under subparagraph (A), the Secretary of the Treasury shall consult with the State regarding the proposed modification.'';

(2) in subsection (d)(2), by inserting ''of the Treasury'' after Secretary''; and

(3) by striking subsection (f) and inserting the following:

''(f) ADMINISTRATIVE EXPENSES.—There are authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to the Secretary of the Treasury, to pay expenses associated with investing the Fund and auditing the uses of amounts withdrawn from the Fund—

''(1) up to $500,000 for each of fiscal years 2006 and 2007; and

''(2) such sums as are necessary for each subsequent fiscal year.''.

(c) INVESTMENT PROVISIONS FOR CHEYENNE RIVER SIOUX TRIBE AND LOWER BRULE SIOUX TRIBE TRUST FUNDS.—Section 604 of the Water Resources Development Act of 1999 (113 Stat. 389) is amended—

(1) by striking subsection (c) and inserting the following:

''(c) INVESTMENTS.—

''(1) ELIGIBLE OBLIGATIONS.—Notwithstanding any other provision of law, the Secretary of the Treasury shall invest the amounts deposited under subsection (b) and the interest earned on those amounts only in interest-bearing obligations of the United States issued directly to the Funds.

''(2) INVESTMENT REQUIREMENTS.—

''(A) IN GENERAL.—The Secretary of the Treasury shall invest each of the Funds in accordance with all of the requirements of this paragraph.

''(B) SEPARATE INVESTMENTS OF PRINCIPAL AND INTEREST.—

''(i) PRINCIPAL ACCOUNT.—The amounts deposited in each Fund under subsection (b) shall be credited to an account within the Fund (referred to in this paragraph as the 'principal account') and invested as provided in subparagraph (C).

''(ii) INTEREST ACCOUNT.—The interest earned from investing amounts in the principal account of each Fund shall be transferred to a separate account within the Fund (referred to in this paragraph as the 'interest account') and invested as provided in subparagraph (D).

''(iii) CREDITING.—The interest earned from investing amounts in the interest account of each Fund shall be credited to the interest account.

''(C) INVESTMENT OF PRINCIPAL ACCOUNT.—

''(i) INITIAL INVESTMENT.—Each amount deposited in the principal account of each Fund shall be invested initially in eligible obligations having the shortest maturity then available until the date on which the amount is divided into 3 substantially equal portions and those portions are invested in eligible obligations that are identical (except for transferability) to the next-issued publicly issued Treasury obligations having a 2-year maturity, a 5-year maturity, and a 10-year maturity, respectively.

''(ii) SUBSEQUENT INVESTMENT.—As each 2-year, 5-year, and 10-year eligible obligation matures, the principal of the maturing eligible obligation shall also be invested initially in the shortest-maturity eligible obligation then available until the principal is reinvested substantially equally in the eligible obligations that are identical (except for transferability) to the next-issued publicly issued Treasury obligations having 2-year, 5-year, and 10-year maturities.

''(iii) DISCONTINUATION OF ISSUANCE OF OBLIGATIONS.—If the Department of the Treasury discontinues issuing to the public obligations having 2-year, 5-year, or 10-year maturities, the principal of any maturing eligible obligation shall be reinvested substantially equally in eligible obligations that are identical (except for transferability) to the next-issued publicly issued Treasury obligations of the maturities longer than 1 year then available.

''(D) INVESTMENT OF THE INTEREST ACCOUNT.—

''(i) BEFORE FULL CAPITALIZATION.—Until the date on which each Fund is fully capitalized, amounts in the interest account of the Fund shall be invested in eligible obligations that are identical (except for transferability) to publicly issued Treasury obligations that have maturities that coincide, to the maximum extent practicable, with the date on which the Fund is expected to be fully capitalized.

''(ii) AFTER FULL CAPITALIZATION.—On and after the date on which each Fund is fully capitalized, amounts in the interest account of the Fund shall be invested and reinvested in eligible obligations having the shortest maturity then available until the amounts are withdrawn and transferred to fund the activities authorized under subsection (d)(3).

''(E) PAR PURCHASE PRICE.—The price to be paid for eligible obligations purchased as investments of the principal account shall not exceed the par value of the obligations so that the amount of the principal account shall be preserved in perpetuity.

''(F) HIGHEST YIELD.—Among eligible obligations having the same maturity and purchase price, the obligation to be purchased shall be the obligation having the highest yield.

''(G) HOLDING TO MATURITY.—Eligible obligations purchased shall generally be held to their maturities.

''(3) ANNUAL REVIEW OF INVESTMENT ACTIVITIES.—Not less frequently than once each calendar year, the Secretary of the Treasury shall review with the Cheyenne River Sioux Tribe and the Lower Brule Sioux Tribe (referred to in this subsection as the 'Tribes') the results of the investment activities and financial status of the Funds during the preceding 12-month period.

''(4) AUDITS.—

''(A) IN GENERAL.—The activities of the Tribes in carrying out the plans of the Tribes for terrestrial wildlife habitat restoration under section 602(a) shall be audited as part of the annual audit that the Tribes are required to prepare under the Office of Management and Budget Circular A-133 (or a successor circulation).

''(B) DETERMINATION BY AUDITORS.—An auditor that conducts an audit under subparagraph (A) shall—

''(i) determine whether funds received by the Tribes under this section during the period covered by the audit were used to carry out the plan of the appropriate Tribe in accordance with this section; and

''(ii) include the determination under clause (i) in the written findings of the audit.

''(5) MODIFICATION OF INVESTMENT REQUIREMENTS.—

''(A) IN GENERAL.—If the Secretary of the Treasury determines that meeting the requirements under paragraph (2) with respect to the investment of a Fund is not practicable, or would result in adverse consequences for the Fund, the Secretary shall modify the requirements, as the Secretary determines to be necessary.

''(B) CONSULTATION.—Before modifying a requirement under subparagraph (A), the Secretary of the Treasury shall consult with the Tribes regarding the proposed modification.''; and

(2) by striking subsection (f) and inserting the following:

''(f) ADMINISTRATIVE EXPENSES.—There are authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to the Secretary of the Treasury to pay expenses associated with investing the Funds and auditing the uses of amounts withdrawn from the Funds—

''(1) up to $500,000 for each of fiscal years 2006 and 2007; and

''(2) such sums as are necessary for each subsequent fiscal year.''.

SEC. 5025. TEXAS.

(a) ESTABLISHMENT OF PROGRAM.—The Secretary shall establish a program to provide environmental assistance to non-Federal interests in the State of Texas.

(b) FORM OF ASSISTANCE.—Assistance under this section may be in the form of planning, design, and construction assistance for water-related environmental infrastructure and resource protection and development projects in Texas, including projects for water supply, storage, treatment, and related facilities, water quality protection, wastewater treatment, and related facilities, environmental restoration, and surface water resource protection, and development, as identified by the Texas Water Development Board.

(c) PUBLIC OWNERSHIP REQUIREMENT.—The Secretary may provide assistance for a project under this section only if the project is publicly owned.

(d) PARTNERSHIP AGREEMENTS.—Before providing assistance under this section, the Secretary shall enter into a partnership agreement with a non-Federal interest.

(e) COST SHARING.—

(1) IN GENERAL.—The Federal share of the cost of the project under this section—

(A) shall be 75 percent; and

(B) may be provided in the form of grants or reimbursements of project costs.

(2) IN-KIND SERVICES.—The non-Federal share may be provided in the form of materials and in-kind services, including planning, design, construction, and management services, as the Secretary determines to be compatible with, and necessary for, the project.

(3) CREDIT FOR DESIGN WORK.—The non-Federal interest shall receive credit for the reasonable costs of design work completed by the non-Federal interest before entering into a local cooperation agreement with the Secretary for a project.

(4) CREDIT FOR LAND, EASEMENTS, AND RIGHTS-OF-WAY.—The non-Federal interest shall receive credit for land, easements, rights-of-way, and relocations toward the non-Federal share of project costs.

(5) OPERATION AND MAINTENANCE.—The non-Federal share of operation and maintenance costs for projects constructed with assistance provided under this section shall be 100 percent.

(f) APPLICABILITY OF OTHER FEDERAL AND STATE LAWS.—Nothing in this section waives, limits, or otherwise affects the applicability of any provision of Federal or State law that would otherwise apply to a project to be carried out with assistance provided under this section.

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $40,000,000.

SEC. 5026. CONNECTICUT RIVER DAMS, VERMONT.

(a) IN GENERAL.—The Secretary shall evaluate, design, and construct structural modifications at full Federal cost to the Union Village Dam (Ompompanoosuc River), North Hartland Dam (Ottauquechee River), North Springfield Dam (Black River), Ball Mountain Dam (West River), and Townshend Dam (West River), Vermont, to regulate flow and temperature to mitigate downstream impacts on aquatic habitat and fisheries.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $30,000,000.

SEC. 5027. COST SHARING PROVISIONS FOR THE TERRITORIES.

Section 1156 of the Water Resources Development Act of 1986 (33 U.S.C. 2310) is amended—

(1) by striking ''The Secretary'' and inserting the following:

''(a) IN GENERAL.—The Secretary''; and

(2) by adding at the end the following:

''(b) USE OF FEDERAL FUNDS BY NON-FEDERAL INTERESTS.—A non-Federal interest may use Federal funds to provide the non-Federal share of the costs of a study or project carried out at a location referred to in subsection (a), if the agency or department that provides the Federal funds determines that the funds are eligible to be used for that purpose.''.

SEC. 5028. INNER HARBOR NAVIGATION CANAL LOCK PROJECT.

Not later than July 1, 2008, the Secretary shall—

(1) issue a final environmental impact statement relating to the Inner Harbor Navigation Canal Lock project; and

(2) develop and maintain a transportation mitigation program relating to that project in coordination with—

(A) St. Bernard Parish;

(B) Orleans Parish;

(C) the Old Arabi Neighborhood Association; and

(D) other interested parties.

SEC. 5029. GREAT LAKES NAVIGATION.

(a) DEFINITION OF GREAT LAKES AND CONNECTING CHANNELS.—In this section, the term ''Great Lakes and connecting channels'' includes—

(1) Lakes Superior, Huron, Michigan, Erie, and Ontario;

(2) any connecting water between or among those lakes that is used for navigation;

(3) any navigation feature in those lakes or water the operation or maintenance of which is a Federal responsibility; and

(4) any area of the Saint Lawrence River that is operated or maintained by the Federal Government for navigation.

(b) NAVIGATION.—Using available funds, the Secretary shall expedite the operation and maintenance, including dredging to authorized project depths, of the navigation features of the Great Lakes and connecting channels for the purpose of supporting navigation.

TITLE VI—PROJECT DEAUTHORIZATIONS

SEC. 6001. LITTLE COVE CREEK, GLENCOE, ALABAMA.

The project for flood damage reduction, Little Cove Creek, Glencoe, Alabama, authorized by the Supplemental Appropriations Act, 1985 (99 Stat. 312), is not authorized.

SEC. 6002. GOLETA AND VICINITY, CALIFORNIA.

The project for flood control, Goleta and Vicinity, California, authorized by section 201 of the Flood Control Act of 1970 (84 Stat. 1826), is not authorized.

SEC. 6003. BRIDGEPORT HARBOR, CONNECTICUT.

(a) IN GENERAL.—The portion of the project for navigation, Bridgeport Harbor, Connecticut, authorized by the Act of July 3, 1930 (46 Stat. 919), consisting of an 18-foot channel in Yellow Mill River and described in subsection (b), is not authorized.

(b) DESCRIPTION OF PROJECT.—The project referred to in subsection (a) is described as beginning at a point along the eastern limit of the existing project, N. 123,649.75, E. 481,920.54, thence running northwesterly about 52.64 feet to a point N. 123,683.03, E. 481,879.75, thence running northeasterly about 1,442.21 feet to a point N. 125,030.08, E. 482,394.96, thence running northeasterly about 139.52 feet to a point along the east limit of the existing channel, N. 125,133.87, E. 482,488.19, thence running southwesterly about 1,588.98 feet to the point of origin.

SEC. 6004. INLAND WATERWAY FROM DELAWARE RIVER TO CHESAPEAKE BAY, PART II, INSTALLATION OF FENDER PROTECTION FOR BRIDGES, DELAWARE AND MARYLAND.

The project for the construction of bridge fenders for the Summit and St. Georges Bridge for the Inland Waterway of the Delaware River to the C & D Canal of the Chesapeake Bay, authorized by the River and Harbor Act of 1954 (68 Stat. 1249), is not authorized.

SEC. 6005. SHINGLE CREEK BASIN, FLORIDA.

The project for flood control, Central and Southern Florida Project, Shingle Creek Basin, Florida, authorized by section 203 of the Flood

Control Act of 1962 (76 Stat. 1182), is not authorized.

SEC. 6006. ILLINOIS WATERWAY, SOUTH FORK OF THE SOUTH BRANCH OF THE CHICAGO RIVER, ILLINOIS.

(a) IN GENERAL.—The portion of the Illinois Waterway project authorized by the Act of January 21, 1927 (commonly known as the ''River and Harbor Act of 1927'') (44 Stat. 1013), in the South Fork of the South Branch of the Chicago River, as identified in subsection (b) is not authorized.

(b) DESCRIPTION OF PROJECT PORTION.—The portion of the project referred to in subsection (a) is the portion of the SW ¼ of sec. 29, T. 39 N., R. 14 E., Third Principal Meridian, Cook County, Illinois, and more particularly described as follows:

(1) Commencing at the SW corner of the SW ¼.

(2) Thence north 1 degree, 32 minutes, 31 seconds west, bearing based on the Illinois State Plane Coordinate System, NAD 83 east zone, along the west line of that quarter, 1810.16 feet to the southerly line of the Illinois and Michigan Canal.

(3) Thence north 50 degrees, 41 minutes, 55 seconds east along that southerly line 62.91 feet to the easterly line of South Ashland Avenue, as widened by the ordinance dated November 24, 1920, which is also the east line of an easement to the State of Illinois for highway purposes numbered 12340342 and recorded July 13, 1939, for a point of beginnings.

(4) Thence continuing north 50 degrees, 41 minutes, 55 seconds east along that southerly line 70.13 feet to the southerly line of the South Branch Turning Basin per for the plat numbered 3645392 and recorded January 19, 1905.

(5) Thence south 67 degrees, 18 minutes, 31 seconds east along that southerly line 245.50 feet.

(6) Thence north 14 degrees, 35 minutes, 13 seconds east 145.38 feet.

(7) Thence north 10 degrees, 57 minutes, 15 seconds east 326.87 feet.

(8) Thence north 17 degrees, 52 minutes, 44 seconds west 56.20 feet.

(9) Thence north 52 degrees, 7 minutes, 32 seconds west 78.69 feet.

(10) Thence north 69 degrees, 26 minutes, 35 seconds west 58.97 feet.

(11) Thence north 90 degrees, 00 minutes, 00 seconds west 259.02 feet to the east line of South Ashland Avenue.

(12) Thence south 1 degree, 32 minutes, 31 seconds east along that east line 322.46 feet.

(13) Thence south 00 degrees, 14 minutes, 35 seconds east along that east line 11.56 feet to the point of beginnings.

SEC. 6007. BREVOORT, INDIANA.

The project for flood control, Brevoort, Indiana, authorized by section 5 of the Flood Control Act of 1936 (49 Stat. 1587), is not authorized.

SEC. 6008. MIDDLE WABASH, GREENFIELD BAYOU, INDIANA.

The project for flood control, Middle Wabash, Greenfield Bayou, Indiana, authorized by section 10 of the Flood Control Act of 1946 (60 Stat. 649), is not authorized.

SEC. 6009. LAKE GEORGE, HOBART, INDIANA.

The project for flood damage reduction, Lake George, Hobart, Indiana, authorized by section 602 of the Water Resources Development Act of 1986 (100 Stat. 4148), is not authorized.

SEC. 6010. GREEN BAY LEVEE AND DRAINAGE DISTRICT NO. 2, IOWA.

The project for flood damage reduction, Green Bay Levee and Drainage District No. 2, Iowa, authorized by section 401(a) of the Water Resources Development Act of 1986 (100 Stat. 4115), deauthorized in fiscal year 1991, and reauthorized by section 115(a)(1) of the Water Resources Development Act of 1992 (106 Stat. 4821), is not authorized.

SEC. 6011. MUSCATINE HARBOR, IOWA.

The project for navigation at the Muscatine Harbor on the Mississippi River at Muscatine, Iowa, authorized by section 101 of the River and Harbor Act of 1950 (64 Stat. 166), is not authorized.

SEC. 6012. BIG SOUTH FORK NATIONAL RIVER AND RECREATIONAL AREA, KENTUCKY AND TENNESSEE.

The project for recreation facilities at Big South Fork National River and Recreational Area, Kentucky and Tennessee, authorized by section 108 of the Water Resources Development Act of 1974 (88 Stat. 43), is not authorized.

SEC. 6013. EAGLE CREEK LAKE, KENTUCKY.

The project for flood control and water supply, Eagle Creek Lake, Kentucky, authorized by section 203 of the Flood Control Act of 1962 (76 Stat. 1188), is not authorized.

SEC. 6014. HAZARD, KENTUCKY.

The project for flood damage reduction, Hazard, Kentucky, authorized by section 3 of the Water Resources Development Act of 1988 (102 Stat. 4014) and section 108 of the Water Resources Development Act of 1990 (104 Stat. 4621), is not authorized.

SEC. 6015. WEST KENTUCKY TRIBUTARIES, KENTUCKY.

The project for flood control, West Kentucky Tributaries, Kentucky, authorized by section 204 of the Flood Control Act of 1965 (79 Stat. 1081), section 201 of the Flood Control Act of 1970 (84 Stat. 1825), and section 401(b) of the Water Resources Development Act of 1986 (100 Stat. 4129), is not authorized.

SEC. 6016. BAYOU COCODRIE AND TRIBUTARIES, LOUISIANA.

The project for flood damage reduction, Bayou Cocodrie and Tributaries, Louisiana, authorized by section 3 of the of the Act of August 18, 1941 (55 Stat. 644, chapter 377), and section 1(a) of the Water Resources Development Act of 1974 (88 Stat. 12), is not authorized.

SEC. 6017. BAYOU LAFOURCHE AND LAFOURCHE JUMP, LOUISIANA.

The uncompleted portions of the project for navigation improvement for Bayou LaFourche and LaFourche Jump, Louisiana, authorized by the Act of August 30, 1935 (49 Stat. 1033, chapter 831), and the River and Harbor Act of 1960 (74 Stat. 481), are not authorized.

SEC. 6018. EASTERN RAPIDES AND SOUTH-CENTRAL AVOYELLES PARISHES, LOUISIANA.

The project for flood control, Eastern Rapides and South-Central Avoyelles Parishes, Louisiana, authorized by section 201 of the Flood Control Act of 1970 (84 Stat. 1825), is not authorized.

SEC. 6019. FORT LIVINGSTON, GRAND TERRE ISLAND, LOUISIANA.

The project for erosion protection and recreation, Fort Livingston, Grande Terre Island, Louisiana, authorized by the Act of August 13, 1946 (commonly known as the ''Flood Control Act of 1946'') (33 U.S.C. 426e et seq.), is not authorized.

SEC. 6020. GULF INTERCOASTAL WATERWAY, LAKE BORGNE AND CHEF MENTEUR, LOUISIANA.

The project for the construction of bulkheads and jetties at Lake Borgne and Chef Menteur, Louisiana, as part of the Gulf Intercoastal Waterway authorized by the first section of the River and Harbor Act of 1946 (60 Stat. 635), is not authorized.

SEC. 6021. RED RIVER WATERWAY, SHREVEPORT, LOUISIANA TO DAINGERFIELD, TEXAS.

The project for the Red River Waterway, Shreveport, Louisiana to Daingerfield, Texas, authorized by section 101 of the River and Harbor Act of 1968 (82 Stat. 731), is not authorized.

SEC. 6022. CASCO BAY, PORTLAND, MAINE.

The project for environmental infrastructure, Casco Bay in the Vicinity of Portland, Maine, authorized by section 307 of the Water Resources Development Act of 1992 (106 Stat. 4841), is not authorized.

SEC. 6023. NORTHEAST HARBOR, MAINE.

The project for navigation, Northeast Harbor, Maine, authorized by section 2 of the Act of March 2, 1945 (59 Stat. 12, chapter 19), is not authorized.

SEC. 6024. PENOBSCOT RIVER, BANGOR, MAINE.

The project for environmental infrastructure, Penobscot River in the Vicinity of Bangor, Maine, authorized by section 307 of the Water Resources Development Act of 1992 (106 Stat. 4841), is not authorized.

SEC. 6025. SAINT JOHN RIVER BASIN, MAINE.

The project for research and demonstration program of cropland irrigation and soil conservation techniques, Saint John River Basin, Maine, authorized by section 1108 of the Water Resources Development Act of 1986 (106 Stat. 4230), is not authorized.

SEC. 6026. TENANTS HARBOR, MAINE.

The project for navigation, Tenants Harbor, Maine, authorized by the first section of the Act of March 2, 1919 (40 Stat. 1275, chapter 95), is not authorized.

SEC. 6027. FALMOUTH HARBOR, MASSACHUSETTS.

The portion of the project for navigation, Falmouth Harbor, Massachusetts, authorized by section 101 of the River and Harbor Act of 1948 (62 Stat. 1172), beginning at a point along the eastern side of the inner harbor N200,415.05, E845,307.98, thence running north 25 degrees 48 minutes 54.3 seconds east 160.24 feet to a point N200,559.20, E845,377.76, thence running north 22 degrees 7 minutes 52.4 seconds east 596.82 feet to a point N201,112.15, E845,602.60, thence running north 60 degrees 1 minute 0.3 seconds east 83.18 feet to a point N201,153.72, E845,674.65, thence running south 24 degrees 56 minutes 43.4 seconds west 665.01 feet to a point N200,550.75, E845,394.18, thence running south 32 degrees 25 minutes 29.0 seconds west 160.76 feet to the point of origin, is not authorized.

SEC. 6028. ISLAND END RIVER, MASSACHUSETTS.

The portion of the project for navigation, Island End River, Massachusetts, carried out under section 107 of the River and Harbor Act of 1960 (33 U.S.C. 577), described as follows: Beginning at a point along the eastern limit of the existing project, N507,348.98, E721,180.01, thence running northeast about 35 feet to a point N507,384.17, E721,183.36, thence running northeast about 324 feet to a point N507,590.51, E721,433.17, thence running northeast about 345 feet to a point along the northern limit of the existing project, N507,927.29, E721,510.29, thence running southeast about 25 feet to a point N507,921.71, E721,534.66, thence running southwest about 354 feet to a point N507,576.65, E721,455.64, thence running southwest about 357 feet to the point of origin, is not authorized.

SEC. 6029. MYSTIC RIVER, MASSACHUSETTS.

The portion of the project for navigation, Mystic River, Massachusetts, authorized by the first section of the River and Harbor Appropriations Act of July 13, 1892 (27 Stat. 96), between a line starting at a point N515,683.77, E707,035.45 and ending at a point N515,721.28, E707,069.85 and a line starting at a point N514,595.15, E707,746.15 and ending at a point N514,732.94, E707,658.38 shall be relocated and reduced from a 100-foot wide channel to a 50-foot wide channel after the date of enactment of this Act described as follows: Beginning at a point N515,721.28, E707,069.85, thence running southeasterly about 840.50 feet to a point N515,070.16, E707,601.27, thence running southeasterly about 177.54 feet to a point N514,904.84, E707,665.98, thence running southeasterly about 319.90 feet to a point with coordinates N514,595.15, E707,746.15, thence running northwesterly about 163.37 feet to a point N514,732.94, E707,658.38, thence running northwesterly about 161.58 feet to a point N514.889.47, E707,618.30, thence running northwesterly about 166.61 feet to a point N515.044.62, E707,557.58, thence running northwesterly about 825.31 feet to a point N515,683.77, E707,035.45, thence running northeasterly about

50.90 feet returning to a point N515,721.28, E707,069.85.

SEC. 6030. GRAND HAVEN HARBOR, MICHIGAN.

The project for navigation, Grand Haven Harbor, Michigan, authorized by section 202(a) of the Water Resources Development Act of 1986 (100 Stat. 4093), is not authorized.

SEC. 6031. GREENVILLE HARBOR, MISSISSIPPI.

The project for navigation, Greenville Harbor, Mississippi, authorized by section 601(a) of the Water Resources Development Act of 1986 (100 Stat. 4142), is not authorized.

SEC. 6032. PLATTE RIVER FLOOD AND RELATED STREAMBANK EROSION CONTROL, NEBRASKA.

The project for flood damage reduction, Platte River Flood and Related Streambank Erosion Control, Nebraska, authorized by section 603 of the Water Resources Development Act of 1986 (100 Stat. 4149), is not authorized.

SEC. 6033. EPPING, NEW HAMPSHIRE.

The project for environmental infrastructure, Epping, New Hampshire, authorized by section 219(c)(6) of the Water Resources Development Act of 1992 (106 Stat. 4835), is not authorized.

SEC. 6034. NEW YORK HARBOR AND ADJACENT CHANNELS, CLAREMONT TERMINAL, JERSEY CITY, NEW JERSEY.

The project for navigation, New York Harbor and adjacent channels, Claremont Terminal, Jersey City, New Jersey, authorized by section 202(b) of the Water Resources Development Act of 1986 (100 Stat. 4098), is not authorized.

SEC. 6035. EISENHOWER AND SNELL LOCKS, NEW YORK.

The project for navigation, Eisenhower and Snell Locks, New York, authorized by section 1163 of the Water Resources Development Act of 1986 (100 Stat. 4258), is not authorized.

SEC. 6036. OLCOTT HARBOR, LAKE ONTARIO, NEW YORK.

The project for navigation, Olcott Harbor, Lake Ontario, New York, authorized by section 601(a) of the Water Resources Development Act of 1986 (100 Stat. 4143), is not authorized.

SEC. 6037. OUTER HARBOR, BUFFALO, NEW YORK.

The project for navigation, Outer Harbor, Buffalo, New York, authorized by section 110 of the Water Resources Development Act of 1992 (106 Stat. 4817), is not authorized.

SEC. 6038. SUGAR CREEK BASIN, NORTH CAROLINA AND SOUTH CAROLINA.

The project for flood damage reduction, Sugar Creek Basin, North Carolina and South Carolina, authorized by section 401(a) of the Water Resources Development Act of 1986 (100 Stat. 4121), is not authorized.

SEC. 6039. CLEVELAND HARBOR 1958 ACT, OHIO.

The project for navigation, Cleveland Harbor (uncompleted portion), Ohio, authorized by section 101 of the River and Harbor Act of 1958 (72 Stat. 299), is not authorized.

SEC. 6040. CLEVELAND HARBOR 1960 ACT, OHIO.

The project for navigation, Cleveland Harbor (uncompleted portion), Ohio, authorized by section 101 of the River and Harbor Act of 1960 (74 Stat. 482), is not authorized.

SEC. 6041. CLEVELAND HARBOR, UNCOMPLETED PORTION OF CUT #4, OHIO.

The project for navigation, Cleveland Harbor (uncompleted portion of Cut #4), Ohio, authorized by the first section of the Act of July 24, 1946 (60 Stat. 636, chapter 595), is not authorized.

SEC. 6042. COLUMBIA RIVER, SEAFARERS MEMORIAL, HAMMOND, OREGON.

The project for the Columbia River, Seafarers Memorial, Hammond, Oregon, authorized by title I of the Energy and Water Development Appropriations Act, 1991 (104 Stat. 2078), is not authorized.

SEC. 6043. TIOGA-HAMMOND LAKES, PENNSYLVANIA.

The project for flood control and recreation, Tioga-Hammond Lakes, Mill Creek Recreation, Pennsylvania, authorized by section 203 of the Flood Control Act of 1958 (72 Stat. 313), is not authorized.

SEC. 6044. TAMAQUA, PENNSYLVANIA.

The project for flood control, Tamaqua, Pennsylvania, authorized by section 1(a) of the Water Resources Development Act of 1974 (88 Stat. 14), is not authorized.

SEC. 6045. NARRAGANSETT TOWN BEACH, NARRAGANSETT, RHODE ISLAND.

The project for navigation, Narragansett Town Beach, Narragansett, Rhode Island, authorized by section 361 of the Water Resources Development Act of 1992 (106 Stat. 4861), is not authorized.

SEC. 6046. QUONSET POINT-DAVISVILLE, RHODE ISLAND.

The project for bulkhead repairs, Quonset Point-Davisville, Rhode Island, authorized by section 571 of the Water Resources Development Act of 1996 (110 Stat. 3788), is not authorized.

SEC. 6047. ARROYO COLORADO, TEXAS.

The project for flood damage reduction, Arroyo Colorado, Texas, authorized by section 401(a) of the Water Resources Development Act of 1986 (100 Stat. 4125), is not authorized.

SEC. 6048. CYPRESS CREEK-STRUCTURAL, TEXAS.

The project for flood damage reduction, Cypress Creek-Structural, Texas, authorized by section 3(a)(13) of the Water Resources Development Act of 1988 (102 Stat. 4014), is not authorized.

SEC. 6049. EAST FORK CHANNEL IMPROVEMENT, INCREMENT 2, EAST FORK OF THE TRINITY RIVER, TEXAS.

The project for flood damage reduction, East Fork Channel Improvement, Increment 2, East Fork of the Trinity River, Texas, authorized by section 203 of the Flood Control Act of 1962 (76 Stat. 1185), is not authorized.

SEC. 6050. FALFURRIAS, TEXAS.

The project for flood damage reduction, Falfurrias, Texas, authorized by section 3(a)(14) of the Water Resources Development Act of 1988 (102 Stat. 4014), is not authorized.

SEC. 6051. PECAN BAYOU LAKE, TEXAS.

The project for flood control, Pecan Bayou Lake, Texas, authorized by section 203 of the Flood Control Act of 1968 (82 Stat. 742), is not authorized.

SEC. 6052. LAKE OF THE PINES, TEXAS.

The project for navigation improvements affecting Lake of the Pines, Texas, for the portion of the Red River below Fulton, Arkansas, authorized by the Act of July 13, 1892 (27 Stat. 88, chapter 158), as amended by the Act of July 24, 1946 (60 Stat. 635, chapter 595), the Act of May 17, 1950 (64 Stat. 163, chapter 188), and the River and Harbor Act of 1968 (82 Stat. 731), is not authorized.

SEC. 6053. TENNESSEE COLONY LAKE, TEXAS.

The project for navigation, Tennessee Colony Lake, Trinity River, Texas, authorized by section 204 of the River and Harbor Act of 1965 (79 Stat. 1091), is not authorized.

SEC. 6054. CITY WATERWAY, TACOMA, WASHINGTON.

The portion of the project for navigation, City Waterway, Tacoma, Washington, authorized by the first section of the Act of June 13, 1902 (32 Stat. 347), consisting of the last 1,000 linear feet of the inner portion of the Waterway beginning at Station 70+00 and ending at Station 80+00, is not authorized.

SEC. 6055. KANAWHA RIVER, CHARLESTON, WEST VIRGINIA.

The project for bank erosion, Kanawha River, Charleston, West Virginia, authorized by section 603(f)(13) of the Water Resources Development Act of 1986 (100 Stat. 4153), is not authorized.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider Calendar Nos. 44 and 108; that the nominations be confirmed; that the motions to reconsider be laid upon the table; that the President be immediately notified of the Senate's action; and that the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed are as follows:

IN THE ARMY

The following named officer for appointment as the Chief of Engineers/Commanding General, United States Army Corps of Engineers, and appointment to the grade indicated in the United States Army, while assigned to a position of importance and responsibility under title 10, U.S.C., sections 601 and 3036:

To be lieutenant general

Lt. Gen. Robert L. Van Antwerp, Jr., 0000

IN THE COAST GUARD

The following named officers for appointment in the United States Coast Guard to the grade indicated under title 14, U.S.C., section 271:

To be rear admiral

Rear Adm. (lh) Craig E. Bone, 0000
Rear Adm. (lh) Robert S. Branham, 0000
Rear Adm. (lh) John S. Burhoe, 0000
Rear Adm. (lh) Ronald T. Hewitt, 0000
Rear Adm. (lh) Wayne E. Justice, 0000
Rear Adm. (lh) Daniel B. Lloyd, 0000
Rear Adm. (lh) Joseph L. Nimmich, 0000
Rear Adm. (lh) Robert C. Parker, 0000
Rear Adm. (lh) Brian M. Salerno, 0000

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

MEASURE PLACED ON THE CALENDAR—S. 1419

Mr. REID. Mr. President, S. 1419 is at the desk. I ask for its first and second readings, and then ask unanimous consent that the measure be placed on the calendar today.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1419) to move the United States toward greater energy independence and security, to increase the production of clean renewable fuels, to protect consumers from price gouging, to increase the energy efficiency of products, buildings, and vehicles, to promote research on and deploy greenhouse gas capture and storage options, and to improve the energy performance of the Federal Government, and for other purposes.

ENCOURAGING THE ELIMINATION OF HARMFUL FISHING SUBSIDIES

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. Res. 208.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 208) encouraging the elimination of harmful fishing subsidies that contribute to overcapacity in the world's commercial fishing fleet and lead to the overfishing of global fish stocks.

There being no objection, the Senate proceeded to consider the resolution.

Mr. STEVENS. Mr. President, I have come to the floor to discuss the overcapitalization of the world's fishing fleets, which is being fueled by the subsidies foreign governments direct to their fishing industries. The problems caused by these subsidies affect not only our global fisheries resources, but also the coastal communities which depend upon them. I introduced a Senate resolution condemning these subsidies and the unsustainable fishing practices they enable.

Fisheries resources—especially large predatory species and other commercially valuable fish stocks—have been overexploited by foreign industrial fishing fleets for years. As a result, these stocks have declined precipitously. In fact, the Food and Agriculture Organization of the United Nations estimates that one-quarter of global fish stocks are overexploited, depleted, or recovering from overexploitation.

To a significant extent, the decline of fisheries resources around the world is intensified by the outdated and mistaken assumption—still held by many nations—that our oceans' productivity is infinite and that fish stocks can be harvested without consequence.

In the United States, we know this is not the case. While we once used subsidies to increase our harvesting capacity, we have since eliminated this practice. Today, we have developed a fisheries management system which respects and conforms to the requirements of fisheries conservation. The Magnuson-Stevens Act, including the amendments added in January, continues to ensure our harvests are guided by science-based catch limits. These controls prevent overfishing and provide managers with the tools they need to limit entry and prevent overcapitalization.

Unfortunately, sustainable fishing policies are not the norm among all fishing nations. Many countries with subsidized industrial fishing fleets have sought to exploit not only their own waters, but also the high seas. Fisheries in international waters are largely unregulated, but even where international management bodies do exist, these damaging practices are carried out in defiance of international quotas and other harvest limits. Not surprisingly, those countries engaged in illegal, unregulated, and unreported—or ''IUU'' fishing—are often the same ones that use subsidies to expand their fleets.

These subsidies, and the IUU fishing associated with them, must end. Today, the capacity of the global fishing fleet is far greater than what is needed to catch the oceans' sustainable level of production. Subsidies also create an uneven playing field among fish trading countries by masking the true cost of fishing. To the economic detriment of the U.S. and other nonsubsidizing nations, up to one-quarter of global fish trade is currently generated by subsidized fisheries. Ultimately, if nations are allowed to stay on this unsustainable path, fish stocks in the global ocean commons will be reduced even further.

The United States, with the support of other countries opposed to subsidies, is now leading an international initiative against harmful fisheries subsidies. Last month, the United States Trade Representative presented a proposal to the World Trade Organization which would eliminate this type of subsidy among WTO members. This proposal, being negotiated in the Doha Development Round, holds great promise for ending those subsidies which distort trade, weaken economic conditions in fishing communities, and lead to IUU fishing and other unsustainable harvesting practices.

This resolution condemns these harmful foreign fishing subsidies, and I urge each of my colleagues to give it their full support.

Mr. REID. Mr. President, I ask unanimous consent that the resolution be agreed to; that the preamble be agreed to; and that the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 208) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 208

Whereas 2.6 billion people in the world get at least 20 percent of their total dietary animal protein intake from fish;

Whereas the Food and Agriculture Organization of the United Nations has found that 25 percent of the world's fish population are currently overexploited, depleted, or recovering from overexploitation;

Whereas scientists have estimated that populations of many large predator fish such as tuna, marlin, and swordfish have been overfished by foreign industrial fishing fleets;

Whereas the global fishing fleet capacity is estimated to be considerably greater than is needed to catch what the ocean can sustainably produce;

Whereas the United States Congress recognized the threat of overfishing to our oceans and economy and therefore included the requirement to end overfishing in United States commercial fisheries by 2011 in the Magnuson-Stevens Fishery Conservation and Management Reauthorization Act of 2006 (Public Law 109–479);

Whereas the United States Commission on Ocean Policy and the Pew Oceans Commission identified overcapitalization of the global commercial fishing fleets as a major contributor to the decline of economically important fish populations;

Whereas harmful foreign fishing subsidies encourage overcapitalization and overfishing, support destructive fishing practices that would not otherwise be economically viable, and amount to $10 to $15 billion annually, an amount equivalent to 20 to 25 percent of the global commercial trade in fish;

Whereas such subsidies have also been documented to support illegal, unregulated, and unreported fishing, which impacts commercial fisheries in the United States and around the world both economically and ecologically;

Whereas harmful fishing subsidies are concentrated in relatively few countries, putting other fishing countries, including the United States, at an economic disadvantage;

Whereas the United States is a world leader in advancing policies to eliminate harmful fishing subsidies that support overcapacity and promote overfishing; and

Whereas members of the World Trade Organization, as part of the Doha Development Agenda (Doha Development Round), are engaged in historic negotiations to end harmful fishing subsidies that contribute to overcapacity and overfishing: Now, therefore, be it

Resolved by the Senate, That the United States should continue to promote the elimination of harmful foreign fishing subsidies that promote overcapitalization, overfishing, and illegal, unregulated, and unreported fishing.

EXPRESSING SUPPORT FOR NEW POWER-SHARING GOVERNMENT IN NORTHERN IRELAND

Mr. REID. Mr. President, I ask unanimous consent that the Senate now proceed to S. Res. 209.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 209) expressing support for the new power-sharing government in Northern Ireland.

There being no objection, the Senate proceeded to consider the resolution.

Mr. KENNEDY. Mr. President, I am delighted to join Senators DODD, BIDEN, COLLINS, KERRY, MCCAIN, CLINTON, LEAHY, SMITH, SCHUMER and OBAMA in support of a Senate resolution commending the extraordinary success of achievement last week in the peace process in northern Ireland.

Ten days ago, on May 8, I was in Belfast to witness the dawn of a new day in the history of northern Ireland—a day that reaffirmed that peace is possible, even in the face of tragic history.

It was an honor to participate in a White House delegation to Belfast and to join Prime Minister Blair of Great Britain and Prime Minister Ahern of Ireland, who have been powerful forces for peace and reconciliation, as former foes in northern Ireland took the oath of office and agreed to share power on an equal basis.

This success could not have been achieved without the courage and determination of the political leaders of northern Ireland over many years in securing a new way forward and forming a new government that offers hope for a brighter future for all the people of that land and a healing of the terrible wounds of the past.

The courageous example of the people of northern Ireland, who have chosen peace and reconciliation, also offers a lesson of hope to other troubled areas of the world.

The resolution we are introducing expresses the strong support of the United States for the new power-sharing Government. It recognizes the contributions of British and Irish and American leaders whose efforts over the years have been indispensable in to the formation of the new Government and the achievement of lasting peace and stability in northern Ireland.

May 8 will long be remembered as a historic day for peace in northern Ireland. All friends of Ireland in the United States commend the First Minister of the new Government, Reverend Ian Paisley of the Democratic Unionist Party and the Deputy First Minister, Martin McGuinness of Sinn Fein for coming together in peace to begin this new era of hope for all the people of northern Ireland, and we wish them continuing success in meeting the challenges that lie ahead.

The United States stands ready to support their new Government. I urge my colleagues to support this resolution.

Mr. REID. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 209) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 209

Whereas, on May 8, 2007, the Reverend Ian Paisley and Martin McGuinness became Northern Ireland's first minister and deputy first minister, marking the beginning of a new era of power-sharing;

Whereas Reverend Paisley, the Democratic Unionist leader, and Mr. McGuinness, the Sinn Féin negotiator, have put aside decades of conflict and moved towards historic reconciliation and unity in Northern Ireland;

Whereas, on May 8, 2007, Reverend Paisley declared, ''I believe that Northern Ireland has come to a time of peace, a time when hate will no longer rule.'';

Whereas Mr. McGuinness declared this new government to be ''a fundamental change of approach, with parties moving forward together to build a better future for the people that we represent'';

Whereas British Prime Minister Tony Blair declared that ''today marks not just the completion of the transition from conflict to peace, but also gives the most visible expression to the fundamental principle on which the peace process has been based. The acceptance that the future of Northern Ireland can only be governed successfully by both communities working together, equal before the law, equal in the mutual respect shown by all and equally committed both to sharing power and to securing peace. That is the only basis upon which true democracy can function and by which normal politics can at last after decades of violence and suffering come to this beautiful but troubled land.'';

Whereas the Taoiseach of Ireland, Bertie Ahern, declared that ''on this day, we mark the historic beginning of a new era for Northern Ireland. An era founded on peace and partnership. An era of new politics and new realities.''; and

Whereas President George W. Bush, like his predecessor President William J. Clinton, has worked tirelessly to bring the parties in Northern Ireland together in support of fulfilling the promises of the Good Friday Accords.

Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the United States stands strongly in support of the new power-sharing government in Northern Ireland;

(2) political leaders of Northern Ireland, Prime Minister Tony Blair, and Taoiseach Bertie Ahern should be commended for acting in the best interest of the people of Northern Ireland by forming the new power-sharing government;

(3) May 8, 2007, will be remembered as an historic day and an important milestone in cementing peace and unity for Northern Ireland and a shining example for nations around the world plagued by internal conflict and violence; and

(4) the United States stands ready to support this new government and to work with the people of Northern Ireland as they achieve their goal of lasting peace for those who reside in Northern Ireland.

ORDERS FOR MONDAY, MAY 21, 2007

Mr. REID. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand adjourned until 1 p.m., Monday, May 21; that on Monday, following the prayer and pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired and the time for the two leaders reserved for their use later in the day; that the Senate then resume consideration of the motion to proceed to S. 1348, comprehensive immigration legislation; and Senator SESSIONS be recognized, as provided for under a previous order; that following Senator SESSIONS, the remaining time until 5:30 p.m., be equally divided and controlled between the two leaders, or their designees; provided further that at 5:30 p.m., without further intervening action or debate, the Senate proceed to vote on the motion to invoke cloture on the motion to proceed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT UNTIL MONDAY, MAY 21, 2007, AT 1 P.M.

Mr. REID. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand adjourned under the previous order.

There being no objection, the Senate, at 6:04 p.m., adjourned until Monday, May 21, 2007, at 1 p.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate Thursday, May 17, 2007:

IN THE COAST GUARD

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES COAST GUARD TO THE GRADE INDICATED UNDER TITLE 14, U.S.C., SECTION 271:

To be rear admiral

REAR ADM. (LH) CRAIG E. BONE, 0000
REAR ADM. (LH) ROBERT S. BRANHAM, 0000
REAR ADM. (LH) JOHN S. BURHOE, 0000
REAR ADM. (LH) RONALD T. HEWITT, 0000
REAR ADM. (LH) WAYNE E. JUSTICE, 0000
REAR ADM. (LH) DANIEL B. LLOYD, 0000
REAR ADM. (LH) JOSEPH L. NIMMICH, 0000
REAR ADM. (LH) ROBERT C. PARKER, 0000
REAR ADM. (LH) BRIAN M. SALERNO, 0000

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT AS THE CHIEF OF ENGINEERS/COMMANDING GENERAL, UNITED STATES ARMY CORPS OF ENGINEERS, AND APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY, WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTIONS 601 AND 3036:

To be lieutenant general

LT. GEN. ROBERT L. VAN ANTWERP, JR., 0000

EXTENSIONS OF REMARKS

TRIBUTE TO LOUIS MINCARELLI

HON. JIM GERLACH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. GERLACH. Madam Speaker, I rise today to honor Louis Mincarelli for his longtime service to the Norriton Fire Engine Company and surrounding communities.

Mr. Mincarelli has been a member of the Norriton Fire Engine Company since 1976. He has served tirelessly on the banquet, by-laws, and legislative committees and was instrumental in raising the funding necessary to simultaneously purchase two new fire trucks. In 1995, he was awarded Life Membership for his service and sacrifice to the Company. Additionally, Mr. Mincarelli held the position of president of the Norriton Fire Engine Company for 15 years from 1979 to 1994.

For 34 years, Mr. Mincarelli also served his country as a First Sergeant in the United States Army. As an honored veteran, he takes pride in continuing to serve the citizens of East Norriton Township and surrounding communities.

Madam Speaker, I ask that my colleagues join me today in honoring Mr. Louis Mincarelli for his exemplary and dedicated service to the Norriton Fire Engine Company and the East Norriton Township area. His commitment and energy to make his community a better place is an example for all citizens to follow.

INTRODUCTION OF THE FINANCIAL SECURITY ACCOUNTS FOR INDIVIDUALS WITH DISABILITIES ACT OF 2007

HON. ANDER CRENSHAW

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. CRENSHAW. Madam Speaker, today, along with several of my colleagues, I introduced the Financial Security Accounts for Individuals with Disabilities Act of 2007. As we know, the federal government gives American families a helping hand in saving for the future. Accounts with special tax advantages help people save for college, retirement, and other life events. But people with disabilities don't always have the same expectations for the future.

Individuals with disabilities may have very different needs and concerns for their long-term care. However, no matter how different the needs or the financial demands that face a family, all parents have a common interest—to ensure the financial security of their children. Although several savings tools exist for all families, increased costs for care, long-term security, more flexibility, and the desire to foster greater independence for children with disabilities warrant the establishment of a new savings instrument.

Many of you know about typical tax-deferred savings plans—such as a ''529'' and college tuition plans. These savings tools, which are available to all Americans, can't help a family with a child who may not go to college. Yet, one could argue that the need for savings and planning for the future is even greater for a child with a disability because he or she will likely be less able to earn a self-supporting income. And may require continued expenditures on medical treatment or adaptive equipment.

Without a new savings tool, parents of children with disabilities must choose between turning down the advantages of savings plans available to others or risk a hefty penalty if their child cannot use the funds according to the account restrictions.

The Financial Security Accounts for Individuals with Disabilities (FSAID) Act of 2007 will provide families of people with physical, cognitive, or developmental disabilities access to the savings tools that everyone else enjoys. Individuals with disabilities, or their families, could create a Financial Security Account (FSA) that accrues tax-free interest during the life of the beneficiary. The FSA will help families of individuals with disabilities to pay for a variety of current and long-term essential expenses including medical care, community based support services, education, employment training and support, and assistive technology. As adults, beneficiaries can also use these accounts to pay for housing and transportation needs.

FSAs differ from existing savings tools by providing much needed flexibility for families and beneficiaries:

Accounts can be established as easily as a typical savings account, without overburdensome paperwork, administrative fees, or ongoing legal fees;

Beneficiaries are allowed to control their own financial destinies; and if they are unable to serve in this capacity, parents, guardians or other designees can serve in this capacity;

Qualified expenses under the FSAID are purposefully broad to accommodate the greater needs of people with disabilities and the financial demands of their individual care plan;

Qualified expenses are not limited to adulthood or retirement age so resources can be used whenever they are needed;

The flexibility in expenses also allows families to save with confidence even though they cannot always predict how independent their children will become;

A family who saves money in a traditional account for a child who becomes disabled later in life can roll over the funds into an FSA without penalty; and

Unlike some savings instruments, FSA would be created and regulated on a federal level so any eligible individual in the United States would have access to this savings tool.

The Financial Security Accounts for Individuals with Disabilities Act of 2007 will give families of people with disabilities the ability to save for their children's futures just like other American families. Today, we are taking the first step toward that realization by giving all American families the tools they need to provide for their families—no matter what their specialized needs might be.

A new approach to savings for these families—one that fosters ownership, self-control and flexibility—is needed today. I urge my colleagues to support this innovative approach to saving for the long-term, specialized needs of children with disabilities.

FSAs will bring families the much needed peace of mind by giving them the tools to provide for their children and helping ensure that children with disabilities are able to live life to the fullest and be as productive as possible.

Our legislation offers hope to families to provide resources that are life-enhancing and meaningful and the control necessary to ensure that their loved ones obtain essential services. I urge my colleagues to support the Financial Security Accounts for Individuals with Disabilities Act of 2007.

IN HONOR OF ARABY COLTON

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. FARR. Madam Speaker, I rise today to honor Mrs. Araby Colton, a great lady who passed away recently at the age of 95. Araby was a passionate activist of uncompromising principles throughout her life.

Araby and her husband, Vie, founded the Canadian-American Wolf Defenders, which was instrumental in stopping a wolf hunt in Canada. She was a member of the Monterey County Peace Coalition, the World Society for the Protection of Animals, and a valued member of the Alaska Wildlife Alliance. She raised Arabian horses and a wolf-dog. Her children inherited her love of animals.

During consideration of the 1972 Endangered Species Act, testimony was entered on the subject of aerial wolf hunting in Alaska. Araby's passionate ''Letter to Wolf Defenders'' from her HOWL newsletter detailing the horrors of such hunting practices was read before the Subcommittee on Fisheries and Wildlife Conservation in their hearings on predatory mammals and endangered species.

Throughout the 90's, she wrote ''Your World and Mine,'' a newspaper column for the Carmel Valley Sun and other local newspapers. Her articles reported on the environment, animals, politics and book reviews. She kept up with current events, and was writing a letter to the editor on global warming when she passed away.

In her later years, Araby and some friends formed a confab they called ''The Coffeehouse.'' They named their group in memory of the American rebels that met in coffeehouses in the 1770's to discuss separation from a tyrannical government. ''The Coffeehouse'' members discussed the great issues of the day.

Madam Speaker, the life of Araby Colton was full of joy and purpose. She cared about the world around her and worked tirelessly to make it a better place, not just for humans, but for all creatures. She would be delighted to think that she was a thorn in the sides of politicians, but I have only respect and admiration for a lady with such deep convictions. I know I speak for the whole House in extending condolences to her family. Araby will be greatly missed.

PROVIDING FOR CONSIDERATION OF H.R. 1585, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2008

SPEECH OF

HON. TOM UDALL

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2007

Mr. UDALL of New Mexico. Mr. Chairman, I want to thank Congressman ALTMIRE for offering this amendment and also want to thank Chairman MILLER for his support. Over the past two Congresses I have introduced legislation very similar to the language we are now considering, and I am very hopeful that it will be included in today's bill.

For every soldier who is deployed overseas, there is a family back home faced with new and challenging hardships. The toll extends beyond emotional stress. From raising a child to managing household finances to day-to-day events, families have to find the time and resources to deal with the absence of a loved one.

Today's amendment offers a way to help ease this transition. The Altmire-Udall amendment would allow spouses, parents or children of military personnel to use Family and Medical Leave Act benefits for issues related directly to the deployment of a soldier. Current FMLA benefits allow individuals to take time off for the birth of a child or to care for a family member with a serious illness. The deployment of a soldier is no less of a crisis and certainly puts new demands on families. We should ensure that the FMLA benefits given in other circumstances are provided to our fighting families during their time of need.

The passage of this amendment and its inclusion in the final conference report will bring new relief to thousands of families across the nation, and it will demonstrate the thanks we owe our brave men and women serving overseas.

PERSONAL EXPLANATION

HON. JEFF MILLER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. MILLER of Florida. Madam Speaker, I missed rollcall vote Nos. 345 through 349 on May 15, 2007. I was down in my district attending the funeral of SSG Timothy P. Padgett.

I would have voted: rollcall vote No. 345, final passage on H.R. 634—American Veterans Disabled for Life Commemorative Coin Act, ''aye''; rollcall vote No. 346, final passage on H.R. 692—Army Specialist Joseph P. Micks Federal Flag Code Amendment Act, ''aye''; rollcall vote No. 347, final passage on H.R. 916—John R. Justice Prosecutors and Defenders Incentive Act, ''nay''; rollcall vote No. 348, final passage on H.R. 1700—COPS Improvement Act of 2007, ''aye''; rollcall vote No. 349, final passage on H.R. 1773—Safe American Roads Act, ''aye''.

SMALL BUSINESS FAIRNESS IN CONTRACTING ACT

SPEECH OF

HON. CORRINE BROWN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 10, 2007

Ms. CORRINE BROWN of Florida. Mr. Chairman, I rise today in support of H.R. 1873—the Small Business Fairness in Contracting Act.

The 10th Edition of Merriam-Webster's Collegiate Dictionary defines fairness as being: impartial, honest; free from self-interest, prejudice, or favoritism. For too long small businesses have been overlooked, short changed and under-funded. For the first time in over a decade this House voted on a bill to open the $380 billion federal marketplace to small businesses across the country.

Mr. Chairman, this bill will not only bring about strong economic growth but also create jobs. This bill does that by: Ensuring that new regulations and databases are added to encourage and promote fairness in the use of small businesses in government contracting; increasing the overall national goal of using contracts with small businesses; and increasing the goal for contracts with disadvantaged and women-owned businesses. These changes are vital to small businesses all over this country.

For the past 6 years, the government has failed to meet its 23 percent small business contracting goal. This has cost small business $10 billion in lost contracting opportunities.

In the 3rd district of Florida, small business owner Lisa Wolf of Wolf Technologies informed me that she faces many contracting problems and loss of business due to the bundling of small projects into large mega contracts. Ms. Wolf owns a geotechnical engineering firm and has gained a reputation for helping clients exceed their goals; she cannot effectively do this without small Federal contracts.

Entrepreneurs and small businesses like Lisa Wolf's are key players in the economy of Florida.

Florida has an estimated total of 1,837,800 small businesses and 29 percent of them are women-owned firms.

According to the Florida Small Business Development Center:

> The stability and growth of Florida's economy depends largely on the vitality of our state's small businesses who are a diverse group of entrepreneurs and innovators. This large and growing group keeps the Florida economy productive.

This bill ensures that more Federal contracts are available to small firms like Lisa's and also increases the procurement opportunities for the small, disadvantaged and women-owned businesses.

Mr. Chairman, this bill is not only a great investment to my home State of Florida but most importantly to our nation's small businesses and I strongly support it.

TRIBUTE TO DESCHUTES COUNTY SHERIFF LES STILES

HON. GREG WALDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. WALDEN of Oregon. Madam Speaker, I rise today to pay tribute to a great American, a dedicated Oregonian, and a tremendous public servant: former Deschutes County Sheriff Les Stiles. Sheriff Stiles retired last month, and tomorrow night his many years of achievements on behalf of the residents of Central Oregon will be celebrated at a public event in Bend, OR. Sheriff Stiles dedicated his career to keeping the city of Bend and Deschutes County a safe and desirable place to live and visit. quit

Sheriff Stiles has always exuded an interest in public policy and making our communities better and safer. His commitment to our country dates back to his service with the U.S. Army where he was commissioned as a second lieutenant with the Corps of Engineers. Les also served with the U.S. Army Reserves as a captain in the infantry from 1968 until 1974. After serving in defense of the United States of America, Les turned toward educational pursuits that would provide him with the knowledge that, complemented with his life experience, would ultimately allow him to better serve the citizens of Oregon.

In 1974, Les received a bachelor's degree in English from Illinois State University. From there, he went on to earn a masters degree in public administration from the University of Northern Colorado. In 1982, Les focused exclusively on law enforcement and completed the grueling training session at the FBI National Academy's 128th session. Madam Speaker, this was not the end of the sheriff's commitment to education. Later in life he graduated from the National Sheriffs Institute and in 2005 he graduated from the FBI Executive Leadership Program. He spent 15 years teaching at Central Oregon Community College and was always willing to address a community group on a pending issue.

Madam Speaker, the city of Bend, OR, received great fortune when Les and his family moved to the beautiful central Oregon region after his training at the FBI Academy. During 25 years of law enforcement in central Oregon, Les served first as a patrolman, eventually as Bend's chief of police, and ultimately as the sheriff of Deschutes County. Sheriff Stiles has been a strong advocate in combating the scourge of methamphetamine and its devastating impact on communities across the country. Sheriff Stiles quickly recognized the significant harm and damage this terrible poison inflicts on families and communities and was a real leader in bringing the problems associated with methamphetamine use to the forefront and attention of the general public. He's been diligent in his efforts to get this deadly drug off the streets, a vocal proponent and promoter of prevention efforts, and tireless in his efforts to support and promote treatment programs for those in desperate need of help.

My colleagues, when Les Stiles took office as the sheriff of Deschutes County, he inherited quite a mess. His predecessor pled guilty

to Federal charges of embezzlement. Under Les's leadership, the county made great progress in correcting the problems of the past. Sheriff Stiles helped restore public trust and once again brought honor to the position of sheriff. He restored fiscal restraint and helped stabilize funding for a department that otherwise would have lost significant public services this past year.

Today I illustrate but a few of the tremendous successes Sheriff Stiles achieved over a long and distinguished career. I appreciate my colleagues joining me in thanking Sheriff Stiles for all he's done on behalf of the people of Deschutes County, the Second Congressional District and the great State of Oregon. I wish him and his wife, Carol, many good days ahead with their family, complete with many hours of good fishing for the sheriff.

RECOGNIZING THE 40TH ANNIVERSARY OF THE CLERGY CONSULTATION SERVICE ON ABORTION

HON. LOUISE McINTOSH SLAUGHTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Ms. SLAUGHTER. Madam Speaker, I rise today to recognize the 40th anniversary of the Clergy Consultation Service on Abortion on May 21st, 2007, and the many fine clergy women and men of the Religious Coalition for Reproductive Choice who continue this tradition of service. At the time the Clergy Service was founded, hundreds, if not thousands, of women died each year because of unsafe, illegal abortions. Many of the women suffering the health hazards of an illegal abortion were the most vulnerable, including women of color and low-income women.

The heroic clergy who came together to form the Clergy Consultation Service felt a moral responsibility to help women in need. The Clergy Service provided comfort, hope, and access to doctors who performed safe abortions and treated women with dignity and respect. Participating ministers and rabbis risked public censure and criminal prosecution to provide compassionate counseling and spiritual support to women with an unintended pregnancy. Today, the tradition of support for women has continued through the Religious Coalition for Reproductive Choice and the Clergy for Choice Network.

Over one million American women sought illegal abortions annually at the time the Clergy Consultation Service on Abortion was established. In 1965 alone, 17 percent of all pregnancy-related deaths were due to illegal abortions. The largest percentage of abortion deaths was among women ages 35–39 with five or six children.

In my home State of New York in 1967, the only legal reason for performing an abortion was to save the life of the woman. Senior minister of the Judson Memorial Church in New York City, Reverend Howard R. Moody, along with social justice activist Arlene Carmen, recognized that women needed reliable information on how and where to obtain safe, albeit illegal, abortions. With a small group of ministers and rabbis, Reverend Moody founded the Clergy Service. The New York Times ran the statement announcing the service.

''Confronted with a difficult decision and means of implementing it, women today are forced by ignorance, misinformation and desperation into courses of action that require humane concern on the part of religious leaders.''

The statement continued:

''We believe that it is our pastoral responsibility and religious duty to give aid and assistance to all women with problem pregnancies. To that end we are establishing a Clergymen's Consultation Service on Abertion which will include referral to the best available medical advice and aid to women in need.''

Following the announcement, the Clergy Service was inundated with calls and visitors from around the country seeking assistance. From its inception until 1970 the service grew from 26 ministers and rabbis in New York to 2,000 clergy in 25 States referring almost 100,000 women to doctors.

I commend Reverend Moody and the clergy men and women who joined the service over the years. Their selfless service is an inspiration to all who honor women as moral decision-makers and all who seek dignity and justice for women.

COMMEMORATING THE 66TH ANNIVERSARY OF THE BATTLE OF CRETE

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mrs. MALONEY of New York. Madam Speaker, I rise today to commemorate the 66th anniversary of the Battle of Crete, the historic battle that contributed to the Allies' victory of World War II.

Because of its strategic location as part of the lifeline to India and its proximity to both Palestine and Egypt, both the Allies and Nazis wanted Crete. At that time the British controlled the island.

On May 20, 1941, the Nazi invasion force, including thousands of German paratroopers and glider troops began landing on Crete. Hitler felt this was to be an easy victory, yet he is quoted to have said shortly after the invasion, ''France fell in 8 days. Why is Crete free?''

During the 11-day invasion of Crete, more than 6,000 German troopers were listed as killed, wounded, or missing in action. The losses to the elite seventh parachute division marked the end of the German military's large-scale airborne operations.

This valiant fight by the Cretan people began in the first hour of the Nazi airborne invasion while other underground movements did not begin until a year or more after being invaded.

Young boys, old men, and women displayed breathtaking bravery in defending Crete. Because German soldiers were not accustomed to facing women in battle, they would tear the dress from the shoulders of suspected Cretan women to find bruises from the recoil of the rifle. The penalty was death. On July 28, 1941, The Times (London) reported that ''five hundred Cretan women have been deported to Germany for taking part in the defense of their native island.''

The German soldiers who invaded Crete also faced the heroic resistance of the clergy. A priest leading his parishioners into battle was not what the Germans anticipated. At Paleochora, Father Stylianos Frantzeskis, hearing of the German airborne invasion, rushed to his church, sounded the bell, took his rifle and marched his volunteers toward Maleme.

This struggle became an example for all Europe to follow in defying German occupation and aggression.

The Cretans paid a heavy price for their valiant resistance to Nazi forces with thousands of civilians executed, starved, or imprisoned. The Germans burned and destroyed entire communities as a reprisal for the Cretan resistance movement. Yet this resistance lasted for 4 years.

The Battle of Crete changed history by delaying Hitler's plan to invade Russia. The invasion was delayed from April to June of 1941. The 2-month delay in the invasion made Hitler's forces face the Russian winter. The Russian snowstorms and the subzero temperatures eventually stalled the Nazi invasion before they could take Moscow or Leningrad. This was the beginning of the downfall of the Nazi reign of terror.

We must always remember and honor this significant battle and the heroic drive of the Cretan people. Democracy came from Greece, and the Cretan heroes exemplified the courage it takes to preserve it.

To honor these heroes, I have introduced H. Res. 148, which recognizes and appreciates the historical significance and the heroic human endeavor and sacrifice of the people of Crete during World War II and commends the PanCretan Association of America.

Today, the courage and fortitude of the Cretan people are seen in the members of the United Cretan Associations of New York which are located in Astoria, Queens.

I urge my colleagues to join me in honoring the Cretans in the United States, Greece, and the diaspora.

HONORING ROGER AND DIANA SENECHAL

HON. JAMES P. McGOVERN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. McGOVERN. Madam Speaker, I rise today to honor Roger and Diana Senechal of Auburn, MA for their many years of dedicated community service and volunteerism.

Roger Senechal and Diana (Sullivan) Senechal dedicated their lives to religion at an early age. They met while volunteering their services for families in Cambridge, Massachusetts, and were married in 1978.

The Senechals moved to New Hampshire, where they continued their lives of service. Diana volunteered extensively and Roger served as the Executive Director for the American Cancer Society. After their son Gerald was born, Roger was received into the Episcopal Church and the family moved to Auburn, Massachusetts, where Roger became a priest at St. Thomas Episcopal Church.

Roger and Diana have contributed their time to countless organizations. Their record of volunteerism is astounding.

Roger has served the town of Auburn as President of the Auburn Clergy Association,

Treasurer of the Worcester City Computer Society, Bee School Director of the Worcester City Beekeepers Association, and Ride Director for the Seven Hills Wheelman. Roger was also involved with Auburn Youth and Family Services, serving on the Advisory Board, Board of Directors, as President-elect, and as President. While working with Auburn Youth and Family Services, Roger helped extend the services provided by the agency. He has also continued to work with the Episcopal Church, serving on the Episcopalian Church Diocesan Evangelism Committee, as Dean of the Deanery, on the Bishops Standing Committee, Revisioning Committee, and the Diocesan Reconciliation Committee.

Diana has also been active in Auburn. She worked with Auburn Youth and Family Services as a tutor, mentor, and with the Peaceful Pals and the Family to Family Mentoring programs. She has also worked as a secretary for three churches and as the co-director for a vacation Bible School.

The Senechals have embarked together on many volunteer efforts. They have worked for the St. Thomas Episcopal Church through Auburn Youth and Family Services, which provides dinners for conflict resolution groups and the Auburn Comes Together program, along with providing funding for summer camps. They were involved with the Boy Scouts of America, Diana serving as a Den leader and Roger as a Merit Badge Counselor. They have also been involved in Habitat for Humanity and the Auburn Youth Peace Vigils.

Roger and Diana have worked tirelessly for the betterment of their community and have served their faith admirably. Their achievements must not go unrecognized, although they humbly assert, ''God gets the credit.'' The Senechals have touched countless people and dedicated their lives in the service of others. Their altruism deserves to be honored.

Madam Speaker, I am sure the entire U.S. House of Representatives joins me in thanking Roger and Diana Senechal for their wonderful contributions to the community.

TRIBUTE TO MIKE ALLEN

HON. HENRY CUELLAR

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. CUELLAR. Madam Speaker, I rise today to honor Mr. Mike Allen, the former President and CEO of the McAllen Economic Development Corporation (MEDC) for his exemplary leadership in fostering the economic growth of the City of McAllen in South Texas.

Mr. Allen was responsible for the management of the McAllen Foreign Trade Zone, one of the largest inland ports in the United States responsible for over one billion dollars worth in commerce annually. He is currently on the Board of Regents for South Texas College and chairman of the Texas Border Infrastructure Coalition (TBIC), which was formed to develop and advocate for solutions to economic development needs along the Texas-Mexico border.

Mr. Allen is an active member of the community. He is a member of numerous organizations such as the American Economic Development Council, Texas Border Infrastructure Coalition, Mexican Chamber of Commerce, American Chamber of Commerce, Reynosa Maquila Association, Texas Good Roads and Transportation Association, McAllen Citizens League, and Rio Grande Valley Chamber of Commerce. In addition, he has served as a member of the Texas Governor's Task Force on Management and Labor Relations for five years. Recently, he attended Presidential and Vice-Presidential briefings on the North American Free Trade Agreement and was actively involved in the Empowerment Zone designation process for the Rio Grande Valley. His vast knowledge of the economic development issues along the U.S.-Mexico border region has led to the continuous economic growth of my district. Mr. Allen has spent his life working to help better the lives of those in his community, and I commend him for his commitment to the economic development of South Texas and to improving our economic relations with Mexico.

Madam Speaker, I am honored to have had this time to recognize the dedication and commitment of Mike Allen to furthering economic development of the City of McAllen and to the South Texas border community In general.

LOCAL FOOD AND FARM ACT

HON. EARL BLUMENAUER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. BLUMENAUER. Madam Speaker, this year we have an opportunity to reform our nation's farm policies, and a fundamental element of my vision to do this is the Local Food and Farm Act. By increasing the availability of fresh foods in cities, schools, and underserved communities, my bill not only strengthens market opportunities for local fanners and ranchers, but it also protects the environment and gets healthy food into our communities.

This legislation, which I am introducing today with Reps. NANCY BOYDA, STEVE KAGEN, KIRSTEN GILLIBRAND, BOBBY RUSH, DONALD PAYNE, JAN SCHAKOWSKY, TOM ALLEN, strengthens and expands existing programs that support value-added agriculture and fanners markets, promote the availability and affordability of healthy and fresh foods, increase fruits and vegetables in school meals, and remove barriers that keep local fanners from selling products into schools. It also establishes a new program to provide innovative financing for the processing and distribution businesses that create local jobs and are best-suited to help innovative, small and midsized farmers and ranchers take advantage of local and regional markets.

Increasing the availability of healthy and fresh foods in our communities is critical to improving the overall health and food security of the United States. By growing and distributing some of these foods locally and regionally, we can create profitable markets for many small and midsized family fanners and ranchers, help to preserve farmland, and protect the environment with reduced transportation costs and more sustainable farming practices.

IN HONOR OF EUNICE LASTINGER MIXON

HON. JIM MARSHALL

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. MARSHALL. Madam Speaker, it is with great pleasure I rise today to honor Eunice Lastinger Mixon for her continuing contributions to the City of Tifton, Tift County and the State of Georgia. Those accomplishments will be celebrated today with the establishment of the Eunice Lastinger Mixon Scholarship at Abraham Baldwin Agricultural College.

Mrs. Mixon is affectionately known by her friends and colleagues as ''Miss Eunice'' and has spent her life in service to others. She has been described as a ''joiner'' and her many hours of service in a wide range of organizations justifies that description.

In addition to the 30 years ''Miss Eunice'' spent teaching in the Tift County schools and helping her husband, Albert Mixon, run their farm, she also served with the Georgia Civil War Commission, including an appointment as chairman, served on the Board of Directors for the Tift County Library and was one of only a handful of non-attorneys to hold an appointment with the Georgia State Bar Association.

Ms. Eunice continues to make innumerable contributions to the community through her service on the Georgia Student Finance Commission, the Georgia Agrirama Foundation Board, the Democratic Party State Committee and the United Daughters of the Confederacy.

Miss Eunice's presence fills whatever room she enters or whatever group she joins. She cares deeply and passionately for others, particularly the least among us. Few Americans have provided a better example of service to others.

Madam Speaker, I am confident my colleagues will join me in recognizing the accomplishments of this great Georgian and great American.

HONORING RENOWNED JAZZ MUSICIAN ON HIS 94TH BIRTHDAY

HON. MICHAEL A. ARCURI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. ARCURI. Madam Speaker, I would like to pay tribute to the extraordinary musical career of Al Gallodoro of Oneonta, New York, and take part in the celebration of his 94th birthday on June 23, 2007. A master of the saxophone and clarinet, Mr. Gallodoro has impressed audiences all over the world for decades.

Mr. Gallodoro began playing the clarinet at the age of 7 and entered the music business at the young age of 13. He spent the next 40 years of his career performing with a well-known jazz musician, Paul Whiteman, playing alto saxophone, clarinet, and bass clarinet. Mr. Gallodoro was also a soloist for live broadcasts, performing more on-air solos during his career than any other performer.

Mr. Gallodoro has traveled all over the world to perform, and holds the world's record for performing the Rhapsody in Blue, playing the piece over 10,000 times throughout the 1930s

and 1940s. Additionally, in 2005, Mr. Gallodoro received an Honorary Doctoral Degree from Hartwick College, which recognized a lifetime of extraordinary achievement in music performance and teaching.

After moving to Oneonta in 1981, he has become an active entertainer in our community. Mr. Gallodoro performs each month at Oneonta's very own live music venue, the Sego Café. He is notably one of only thirteen artists who began recording before 1940 that is actively recording today.

Mr. Gallodoro has undoubtedly made an unforgettable impact on the music community and will always be remembered for his invaluable contributions to the field of music. I do not doubt that his 94th birthday celebration at the Sego Café in Oneonta will be one to remember.

Madam Speaker, it is with great pride today that I celebrate the incredible accomplishments of Mr. Gallodoro and wish him a wonderful 94th birthday.

IN RECOGNITION OF ROBERT R. RICE

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. KUCINICH. Madam Speaker, I rise today to honor Robert R. Rice, for his lifelong commitment to educating our youth and for sharing his many talents with our community.

Since his days with the United States Armed Service Forces Band, Robert has been graciously sharing his musical talent. In the Band, he played trumpet and sang lead vocals. After leaving the service, Robert dedicated himself to educating children and introducing them to the wonders of music. As a result of his commitment, thousands of children have cultivated an appreciation for music. Harding School has been the fortunate benefactor of Robert's musical talents for 25 years, culminating in his composition of ''The Harding March.''

Hardly one to hold back his love of music, Robert has also volunteered thousands of hours with community organizations and numerous churches.

Madam Speaker and colleagues, please join me in honoring Robert R. Rice for a life spent bringing the gift of music to the youth of Northeast Ohio. May all his students who have cultivated a love of music pass it along to future generations.

PERSONAL EXPLANATION

HON. ALBIO SIRES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. SIRES. Madam Speaker, on May 16, 2007, I missed rollcall votes Nos. 350, 351, 352. Had I been present, I would have voted ''no'' on rollcall 350, ''yea'' on rollcall 351, ''yea'' on rollcall 352, ''no'' on rollcall 353, ''present'' on rollcall 354, and ''no'' on rollcall 355.

IN PRAISE OF ARMY PFC DANIEL COURNEYA

HON. TIMOTHY WALBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. WALBERG. Madam Speaker, I rise today to honor and praise Army PFC Daniel Courneya, a constituent of mine who died while serving his country in Iraq; PFC Courneya's convoy was ambushed in Iraq on May 12, 2007.

PFC Courneya of Vermontville was 19 years old. He grew up dreaming of serving in the military. Daniel grew up wishing to carry on the legacy of service to our great Nation which has run through his family. He grew up with the heart of a hero. Enlisting in the United States Army at 17 years old during his senior year of high school, his mother had to sign a waiver to allow her son to enlist.

As a student at Maple Valley High School, Daniel was well known and well respected. Daniel ran track at Maple Valley, played on the soccer team and played the clarinet in the school band.

In Vermontville, the members of the community hold parades to welcome home returning members of the military and have done so to honor PFC Courneya. What impresses me the most is the way the community has rallied around Daniel's family and provided caring support during this time of grieving.

My thoughts and prayers are with Daniel's family. I thank them for their beloved sons' dedicated service to the United States. May God be with them.

HONORING THE SOUTHWEST CONFERENCE OF MAYORS ON ITS 25TH ANNIVERSARY

HON. DANIEL LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. LIPINSKI. Madam Speaker, I rise today to honor the Southwest Conference of Mayors, SCM, on its 25th anniversary. Through dedicated and distinguished leadership, the Mayors' Conference continues to foster the improvement of local government, provide services to citizens, and enhance the overall quality of life for residents in southwest Cook County.

Since its inception in 1982, the Southwest Conference of Mayors has served as the regional council of governments, COG, in southwest Cook County. Currently, the Mayors' Conference has five standing committees, which focus on the areas of economic development, legislative advocacy, public works, transportation, and utilities. The committees strive to lower the costs of government, promote managerial expertise, coordinate experience and find solutions to problems of mutual concern, and develop a common voice on municipal concerns.

Today, the Southwest Conference of Mayors encompasses 21 municipalities that include: the village of Alsip; the village of Bedford Park; the city of Blue Island; the village of Bridgeview; the city of Burbank; the village of Chicago Ridge; the village of Crestwood; the village of Evergreen Park; the city of Hickory Hills; the city of Hometown; the village of Justice; the village of Lemont; the village of Merrionette Park; the village of Oak Lawn; the village of Orland Hills; the village of Orland Park; the city of Palos Heights; the city of Palos Hills; the village of Palos Park; the village of Willow Springs; and the village of Worth.

Given the outstanding service and direction of the Southwest Conference of Mayors, I am especially privileged to acknowledge the founding and current SCM President, Mayor Jerry Bennett of Palos Hills; SCM vice president, Mayor Gene Siegel of Chicago Ridge; SCM vice president, Mayor Jim Sexton of Evergreen Park; and SCM treasurer, Mayor Bob Straz of Palos Heights. The hard work, insight, and leadership of these mayors ensure the future success of the Mayors' Conference and its positive impact on southwest Cook County.

The contributions made by the Southwest Conference of Mayors to the citizens of southwest Cook County are extraordinary. Today, I am pleased to recognize the organization's current and past leadership, member villages and cities, staff members, and all those who make the activities of the Mayors' Conference possible. As we celebrate this 25-year milestone, I look forward to continuing to work with SCM leaders to serve our communities and improve the lives of all area residents.

IN SUPPORT OF ONCOLOGY NURSES

HON. MICHAEL R. McNULTY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. McNULTY. Madam Speaker, I rise today to call attention to the important and essential role that oncology nurses play in providing quality cancer care and to recognize May as Oncology Nursing Month.

Oncology nurses are the health professionals involved in the administration and monitoring of chemotherapy and managing the associated side-effects patients may experience. Every day oncology nurses see the pain and suffering caused by cancer and understand the physical, emotional and financial challenges that people with cancer face throughout their diagnosis and treatment.

Since 1975, the Oncology Nursing Society (ONS) has been dedicated to excellence in patient care, teaching, research, administration and education in the field of oncology. The Society's mission is to promote excellence in oncology nursing and quality cancer care. I am pleased that ONS has 13 chapters throughout New York State which support oncology nurses in their efforts to provide high quality cancer care to patients and their families.

I urge my colleagues to support ONS in its important endeavors and to recognize the oncology nurses in their communities for all they do for people with cancer.

PROVIDING FOR CONSIDERATION OF H.R. 1585, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2008

SPEECH OF

HON. THOMAS H. ALLEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2007

Mr. ALLEN. Mr. Chairman, the amendment I offer today seeks to bring hope from tragedy.

CAP Patrick Damon, who lived in Falmouth, ME, with his wife and two children, was a loyal public servant, both in State government and in the Maine National Guard.

In early 2006, Captain Damon was deployed with the Maine Guard's 240th Engineer Group to Afghanistan. On June 15 of that year, Patrick collapsed in his bunk after a run. Initial reports were that he died of a heart attack, even though he had no previous or family history of heart problems.

Captain Damon's mother, Barbara Damon-Day, has been persistent in seeking to get more information from the Army about the cause of her son's death. The Army lists the death as ''sudden unexpected,'' and the exact cause remains inconclusive.

Based on her own investigation, Ms. Damon-Day believes her son's death was brought about by an adverse reaction to multiple vaccinations in a 24-hour period. Her investigation has revealed a lack of clarity in the Defense Department's guidelines and regulations on administering multiple vaccinations in a 24-hour period.

My amendment seeks to focus needed attention on this issue. It requires the Defense Department to report to Congress on its policies on administering and evaluating multiple vaccinations within a 24-hour period to members of the Armed Forces, including the Guard and Reserve. It requires information on whether the department's policies conform to the regulations and guidelines of federal health agencies.

The amendment also requests data on the number of deaths that have been investigated for vaccines-related causes, and information on how medical records are shared with the Adjutant General of the states.

Finally, the amendment requires the Department to perform a study on the safety and effectiveness of administering multiple vaccines with a 24-hour period to service personnel.

Since her son's death in June 2006, Mrs. Damon-Day has worked tirelessly to improve the Defense Department's medical screening of Armed Forces prior to their deployment overseas. The Maine Legislature is currently considering legislation to create a commission to improve medical screening of Maine Guard personnel before they go overseas.

Barbara Damon-Day has honored her son's memory by making it her mission to improve the health screenings given our military, and to improve the information they receive, before they leave to serve on our behalf in Afghanistan, Iraq and around the globe. We owe her our gratitude for her efforts and our support to help advance her cause. I hope that my amendment can play a part in that mission.

I urge support for the Allen amendment.

TRIBUTE TO THE OLATHE NORTHWEST HIGH SCHOOL RAVONICS REVOLUTION ROBOTICS TEAM UPON THEIR PARTICIPATION IN THE 'FIRST ROBOTICS' NATIONAL COMPETITION

HON. DENNIS MOORE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. MOORE of Kansas. Madam Speaker, I am pleased to have this opportunity today to recognize the Ravonics Revolution robotics team from Olathe Northwest High School in Olathe, KS. The Ravonics Revolution team was one of over 1,100 schools across the country to participate in the 2007 FIRST Robotics competition, and were so successful that they were named Midwest Regional Champions.

FIRST Robotics, which was founded by Dean Kamen, the inventor of the Segway, is creating programs where kids can compete in sports-like environments, using math/engineering/technology/science skills rather than traditional athletic skills. The organization's vision is: ''To create a world where science and technology are celebrated . . . where young people dream of becoming science and technology heroes.''

Olathe Northwest High School formed their FIRST Robotics team two years ago and has been led by Sue Rippe, a Kansas Teacher of the Year in 2000. Sue and her husband, Cliff, have dedicated themselves to this program, providing guidance and support, but the kids are the real leaders of the team. They appointed a CEO, COO, CIO, CFO and other leaders within their group to divide responsibilities.

The team raised their own money to attend competition—more than $38,000 this year—and obtained sponsorships from over 25 companies and individuals. And, their hard work and dedication has not gone unnoticed. In addition to winning their regional championship in Chicago, IL, earlier this year, they won other awards in entrepreneurship, website design, video production and safety. They were further recognized at the championship event in Atlanta, GA, with the Autodesk Visualization Award for Best Lighting (CG Animation).

Success isn't enough for them, however, which is why they will be hosting a robot scrimmage this summer for all area teams to encourage more students and schools to join the FIRST Robotics league.

Thanks to their teacher, Sue Rippe, the leadership of the Olathe school district and the FIRST Robotics organization, these students are able to focus on subjects they enjoy and on what they're good at. The program not only allows kids to be surrounded with teachers and classes that help to build on their strengths, but it also brings together kids with like interests so that they can learn from each other and develop their leadership and teamwork skills.

A very wise man once said that the really fundamental debts, like the ones that students owe to their teachers and parents, can't be paid back. They are too big for that. They can only be paid forward to those who will come after us. I know that each of these students will find a way to ''pay forward'' the debt they owe by using their amazing talents to help explore worlds and ideas we never thought possible.

Madam Speaker, the Ravonics Revolution team at Olathe Northwest High School is an example of what happens when students work together to create a highly talented, focused team and seek to achieve a goal greater than themselves. I join the residents of the entire Third Congressional District of Kansas in applauding the Olathe Northwest High School Ravonics Revolution team for their success in the 2007 FIRST Robotics competition and look forward to their continued success in all future endeavors.

IN HONOR OF THE CENTENNIAL ANNIVERSARY OF THE EAST END NEIGHBORHOOD HOUSE

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. KUCINICH. Madam Speaker, I rise today in honor and recognition of the East End Neighborhood House, EENH, whose leaders, staff and volunteers have uplifted and energized all aspects of Cleveland's urban neighborhoods for 100 years.

In 1907, Miss Hedwig Kosbab formed the EENH in her mother's home as a place that offered sewing classes for immigrant women. As the classes quickly began expanding to include others, the location of EENH changed several times but found its final home on the Van Sweringen estate in 1916.

Beyond providing services to residents on an individual level and six major programs for those young and old, the EENH nurtures community pride and identity while assisting individuals in uniting to identify and resolve its issues collectively. As public needs change, EENH redirects its efforts to focus on the eroding areas of community influence and life such as church, family and schools. Their efforts and services help to maintain stability in those areas and provide the lacking influence that is necessary for neighborhood prosperity, especially for children. One program provided by the EENH is the Cleveland Foster Grandparent Program, which brings neighborhood seniors and youth together. The unification of these two generations allows elders to continue to contribute by leading and sharing wisdom with the young people of the community, while providing the youth with the support and guidance that they need to become active members of the community as well.

Madam Speaker and colleagues, please join me in honor and recognition of the volunteers, staff and leaders, past and present, of the East End Neighborhood House. Their collective dedication, vision, volunteerism and work on behalf of all residents has served to preserve the historic integrity and pride of the neighborhood, promote community accord and maintain a healthy sense of neighborhood unity fo residents, young and old.

TRIBUTE TO THE RECENT ACCOMPLISHMENTS OF THE DURANGO HIGH SCHOOL AEROSPACE DESIGN TEAM

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. UDALL of Colorado. Madam Speaker, I rise today in order to congratulate the Durango High School Aerospace Design Team for their recent selection as finalists in the International Space Settlement Design Competition. As one of only eight teams chosen worldwide—and only three from the United States—the Durango High School team represents the best that our public education system has to offer.

The International Space Settlement Design Competition is a serious endeavor, incorporating elements of engineering, logistics, creativity, business sense, and scientific acumen into a grand proposal where the competitors design a future habitat for humans on another planetary body. Students are held to rigorous standards; scientific concepts must be realistic extensions of current technologies and proposals are expected to provide budgetary details as well as specificities on how humans would live in the proposed settlement. The winning results are proposals that one would expect to see decades in the future, and are judged by engineers with expertise in the relevant fields.

As chairman of the Space and Aeronautics Subcommittee of the House Science and Technology Committee and a co-chair of the House Science, Technology, Engineering, and Mathematics (STEM) Education Caucus, I have a deep appreciation of what the Durango team has accomplished. I have long advocated the inclusion of a rigorous science program in our public education system and I applaud the results of Durango High School's emphasis on science education. Their success is a consequence of their strong education in the hard sciences and I am sure that these students will help ensure a better future for our Nation.

The Durango High School Aerospace Design Team will soon be competing against the rest of the finalists at the NASA Johnson Space Center in Houston, Texas. I ask my colleagues to join me in congratulating the team on its success so far and to wish them the best of luck in the next and final leg of the competition.

PERSONAL EXPLANATION

HON. JEFF MILLER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. MILLER of Florida. Madam Speaker, I missed rollcall vote Nos. 350 through 366 on May 16, 2007. I was down in my district attending the funeral of Staff Sgt. Timothy P. Padgett.

I would have voted:

Rollcall vote No. 350, Motion to Adjourn, ''aye''; rollcall vote No. 351, Previous Question on Rule for H.R. 1585—National Defense Authorization Act for FY '08, ''nay''; rollcall vote No. 352, Rule providing for H.R. 1585—National Defense Authorization Act for FY '08, ''nay''; rollcall vote No. 353, Motion to Adjourn, ''aye''; rollcall vote No. 354, Quorum Call, ''present''; rollcall vote No. 355, Motion to Rise, ''aye''; rollcall vote No. 356, Quorum Call, ''present''; rollcall vote No. 357, Motion to Rise, ''aye''; rollcall vote No. 358, Quorum Call, ''present''; rollcall vote No. 359, Motion to Rise, ''aye''; rollcall vote No. 360, Quorum Call, ''present''; rollcall vote No. 361, Motion to Rise, ''aye''; rollcall vote No. 362, Quorum Call, ''present''; rollcall vote No. 363, Motion to Rise, ''aye''; rollcall vote No. 364, Andrews Amendment to Defense Authorization to prevent funds authorized in the bill for the wars in Iraq and Afghanistan from being obligated or expended to plan a contingency operation in Iran, ''nay''; rollcall vote No. 365, DeFazio Amendment to Defense Authorization to clarify that no previously enacted law authorizes military action against Iran, ''nay''; rollcall vote No. 366, Woolsey Amendment to Defense Authorization to require the Secretary of Defense to issue a report on the continued use, need, relevance, and cost of weapons systems designed to fight the Cold War and the former Soviet Union, ''nay''.

INTRODUCING THE PARENTAL CONSENT ACT

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. PAUL. Madam Speaker, I rise to introduce the Parental Consent Act. This bill forbids Federal funds from being used for any universal or mandatory mental health screening of students without the express, written, voluntary, informed consent of their parents or legal guardian. This bill protects the fundamental right of parents to direct and control the upbringing and education of their children.

The New Freedom Commission on Mental Health has recommended that the Federal and State governments work toward the implementation of a comprehensive system of mental health screening for all Americans. The commission recommends that universal or mandatory mental health screening first be implemented in public schools as a prelude to expanding it to the general public. However, neither the commission's report nor any related mental health screening proposal requires parental consent before a child is subjected to mental health screening. Federally-funded universal or mandatory mental health screening in schools without parental consent could lead to labeling more children as ''ADD'' or ''hyperactive'' and thus force more children to take psychotropic drugs, such as Ritalin, against their parents' wishes.

Already, too many children are suffering from being prescribed psychotropic drugs for nothing more than children's typical rambunctious behavior. According to Medco Health Solutions, more than 2.2 million children are receiving more than one psychotropic drug at one time. In fact, according to Medico Trends, in 2003, total spending on psychiatric drugs for children exceeded spending on antibiotics or asthma medication.

Many children have suffered harmful side effects from using psychotropic drugs. Some of the possible side effects include mania, violence, dependence, and weight gain. Yet, parents are already being threatened with child abuse charges if they resist efforts to drug their children. Imagine how much easier it will be to drug children against their parents' wishes if a Federally-funded mental health screener makes the recommendation.

Universal or mandatory mental health screening could also provide a justification for stigmatizing children from families that support traditional values. Even the authors of mental health diagnosis manuals admit that mental health diagnoses are subjective and based on social constructions. Therefore, it is all too easy for a psychiatrist to label a person's disagreement with the psychiatrist's political beliefs a mental disorder. For example, a Federally-funded school violence prevention program lists ''intolerance'' as a mental problem that may lead to school violence. Because ''intolerance'' is often a code word for believing in traditional values, children who share their parents' values could be labeled as having mental problems and a risk of causing violence. If the mandatory mental health screening program applies to adults, everyone who believes in traditional values could have his or her beliefs stigmatized as a sign of a mental disorder. Taxpayer dollars should not support programs that may label those who adhere to traditional values as having a ''mental disorder.''

Madam Speaker, universal or mandatory mental health screening threatens to undermine parents' right to raise their children as the parents see fit. Forced mental health screening could also endanger the health of children by leading to more children being improperly placed on psychotropic drugs, such as Ritalin, or stigmatized as ''mentally ill'' or a risk of causing violence because they adhere to traditional values. Congress has a responsibility to the Nation's parents and children to stop this from happening. I, therefore, urge my colleagues to cosponsor the Parental Consent Act.

HONORING THE NATURE CONSERVANCY OF ILLINOIS ON THEIR 50TH ANNIVERSARY

HON. RAY LaHOOD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. LAHOOD. Madam Speaker, I rise today to voice congratulations to The Nature Conservancy of Illinois in honor of its 50th Anniversary, and for the outstanding conservation work it has accomplished in Illinois. Since its establishment in 1957, The Nature Conservancy of Illinois has acquired, restored and preserved nearly 80,000 acres of natural lands at 120 sites throughout the entire State for the benefit of Illinois citizens.

The Nature Conservancy is a leading conservation organization, with more than 35,000 members in the State of Illinois and nearly one million members around the world working to protect ecologically important lands and waters for nature and people. For the past 50 years The Nature Conservancy in Illinois has been an effective, innovative partner in conservation with local, State, and Federal public land management agencies, other conservation not for profit organizations, corporations,

foundations and individual private landowners to create science-based conservation solutions that benefit nature and enhance the well being of people who depend on vital natural resources for their lives and livelihoods.

The Nature Conservancy works to improve river life, water quality and restore aquatic ecosystems through projects along the Illinois River including the preserves at Emiquon and Spunky Bottoms, the Cache River in Southern Illinois and the Mackinaw River in central Illinois. By using the best available science, The Nature Conservancy works to conserve our grasslands, prairies, forests at places like Kankakee Sands, Indian Boundary Prairies, Nachusa Grasslands, Chinquapin, and the Illinois Ozarks.

The Nature Conservancy is a founding member of Chicago Wilderness, a consortium of more than 200 public and private organizations working together to protect, restore, study and manage the natural ecosystems of the Chicago region, contribute to the conservation of global biodiversity, and enrich local residents' quality of life. In addition, The Nature Conservancy has spearheaded and supported various state policy initiatives that made meaningful contributions to Illinois natural resource management including public funding initiatives, and the Volunteer Stewardship Network to help public and private landowners manage their lands by removing invasive species, collecting native seeds, conducting prescribed burns, reducing pollution and managing precious parcels of land and waterways, and assisting with environmental youth education programs.

The Nature Conservancy's Board of Trustees and staff use a non-confrontational and collaborative approach to their work with all sectors of society to achieve meaningful conservation results in Illinois. That is why The Nature Conservancy is a leader in raising awareness of the benefits of nature, conservation and sound environmental practices among Illinois communities, elected officials, and the public at large.

I am proud to recognize the contributions The Nature Conservancy has made to significantly improve Illinois landscape and waterways, and congratulate The Nature Conservancy, Illinois Chapter, for its 50 years of conservation work in the State and applaud their efforts across the United States and around the globe to protect and conserve the biodiversity of the Earth.

IN HONOR OF JOSEPH PEZZINI

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. FARR. Madam Speaker, Members of the House, I rise today to honor Mr. Joseph Pezzini, a quiet and unassuming man who has become one of the seminal leaders in our Nation's fresh produce industry. The occasion for this recognition is Joe's departure from the chairmanship of the Salinas, California, based Grower Shipper Association. His work as chairman over the course of the past year, particularly around the issues of food safety, has contributed tremendously to the continued health and vitality of the American fresh produce industry.

Joe is a senior officer with Ocean Mist Farms, the leading U.S. producer and shipper of fresh artichokes. Along with a team of highly skilled and dedicated colleagues, Joe helps produce and ship high quality artichokes, lettuce, broccoli, spinach, and a variety of other specialty vegetable crops. All things that the federal government says we should eat more of. If you have ever eaten an artichoke, Joe likely had a hand in putting it on your plate. If you have never eaten an artichoke, then Joe would like to speak with you. But Joe's business acumen only begins his catalogue of achievements.

In 2006, Joe became president of the Grower Shipper Association, which serves as local and regional voice of the California Central Coast's large and dynamic produce industry. His focus was predominantly on local and regional issues. Then, last year on September 14, FDA advised consumers to avoid eating fresh spinach because it had been linked to an outbreak of E. coli. In a matter of minutes, Joe transformed himself from just a Salinas Valley business leader to the national face of the fresh produce industry. As a prominent spinach producer himself whose product remained unlinked to the outbreak and the Grower Shipper Association chairman, Joe became the natural spokesperson for the produce industry. Every major news outlet in the country wanted to speak with a Salinas Valley farmer. Amid all the commotion and frenzy, Joe remained the calm and credible voice, always speaking to realities of farming and his industry's concern for safety whether to a national news anchor or a local beat reporter. In the months since, Joe has taken a leading role in the produce industry's response to the crisis. He helped shape and now chairs the State of California's new leafy green food safety marketing agreement.

Joe's work has not only benefited the producers in my Central California district, but fresh produce farmers across the country. In recognition of his work, The Packer, a leading Produce Industry trade publication, recently honored Joe as its Produce Man of the Year. This honor is clearly well deserved.

Madam Speaker, please allow me to convey to Mr. Pezzini this body's gratitude for his vision, hard work and grace under fire on behalf of fresh produce consumers and producers everywhere.

IN RECOGNITION OF THOMAS P. CORRIGAN

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. KUCINICH. Madam Speaker, I rise today in recognition of Thomas P. Corrigan, the 2007 Fairview Park Citizen of the Year. Tom has been a tireless advocate for Fairview Park, and has devoted hundreds of volunteer hours in service to his neighbors.

Tom has been an active leader in the community for many years, and has been a fantastic influence in the lives of hundreds of Fairview Park youth. He has provided valuable leadership to St. Angela Cub Scout Pack 401, sponsored School to Work programs for Fairview Park High School and Ohio Boys Town, has coordinated numerous fundraising programs for Fairview Park students, and chaired levy campaigns to ensure that the schools have adequate resources to educate Fairview Park children.

Hardly a person to temper his enthusiasm for his community, Tom has also contributed significant time and resources to Fairview Park's economic prosperity and social growth. For many years Tom served as a board member for the Chamber of Commerce, and currently serves on the board of the Fairview Municipal Foundation. He has been active with the Business Advisory Council, and has been instrumental in the growth and success of Summerfest. He builds benches and playgrounds, chairs golf outings, and even plays the bagpipes.

His dedication to Northeastern Ohio has been an inspiration to all that know him. In addition to being an invaluable asset to Fairview Park, Tom is a doting father to Elisabeth, Rebecca, and Christopher, as well as a loving husband to Jeanne Ann.

Madam Speaker and colleagues, please join me in honoring Thomas P. Corrigan as the 2007 Fairview Park Citizen of the Year. His reliability, thoughtfulness and selflessness have been integral to the success of Fairview Park and the development of the city's vibrant personality. May Fairview Park continue to thrive from his efforts.

PERSONAL EXPLANATION

HON. JULIA CARSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Ms. CARSON. Madam Speaker, on Wednesday, May 16, 2007, I was unable to vote on rollcall Nos. 350 and 356. Had I been present, I would have voted ''no'' on both.

TRIBUTE TO PRUE AND AMI ROSENTHAL

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. DINGELL. Madam Speaker, I rise today to pay tribute to Prue and Ami Rosenthal of Ann Arbor, MI. For 30 years the Rosenthals have given much to the City of Ann Arbor and its community. Mr. and Mrs. Rosenthal are the 2007 recipients of the Washtenaw County Jewish Federation's Humanitarian Award, the highest honor the Jewish Federation bestows upon recipients.

The Rosenthals were married in Massachusetts in 1962 and came to Ann Arbor in 1977. For these 30 years the duo of Prue and Ami have served Ann Arbor's Jewish community. Prue has spread her time and efforts among several organizations, such as a volunteer for the Beth Israel Congregation, Hadassah, the Jewish Federation, as well as serving as president of the Hebrew Day School. Prue is also a student of art history and has devoted herself to the University of Michigan (UM) Museum of Art, currently serving on the National Advisory Board and contributing her talent and knowledge to the creation of the new museum. She has also served on the board of

the University Musical Society for 7 years, 3 as the Chair.

Ami came to Ann Arbor after he was recruited from Harvard to direct the division of Pediatric Cardiology at the University of Michigan Medical Center. Since then he has established an international reputation for this remarkable program and created a network of 13 pediatric cardiology clinics throughout Michigan, using both his medical knowledge and his personal humor to help patients. He is now instrumentally involved in the development of the new Mott Children's hospital.

Prue and Ami have placed tremendous emphasis on the future of their community and together they helped found Save a Heart Foundation to raise funds for the Pediatric Congenital Heart Center, which has helped young people receive treatment. The Rosenthals have also provided significant funds to education programs at the Museum of Art and the Musical Society and they have a special interest in creating programs for children in Israel that encourage understanding and tolerance. Ami has also greatly impacted many young people at the collegiate level as chairman of the U–M Board of Student Publications and as a board member of the Hillel Foundation. In addition to all that the Rosenthals have done both professionally and philanthropically, they also have three sons and three grandchildren. Family is at the center of the Rosenthal's lives and they are intensely involved in their extended family as well.

I thank the Rosenthals for all that they have done for the Ann Arbor community. They serve as an example of all that individuals can do to help the greater good. This award is a tremendous accomplishment and it is certainly well deserved. For all that they have done and for the great love they have shown to Ann Arbor, I salute the Rosenthals and extend my appreciation to them for their great contributions to the people and institutions of their community.

TRIBUTE TO NILES TOWNSHIP HIGH SCHOOL DISTRICT 219 FINE ARTS AND PERFORMING ARTS PROGRAM

HON. JANICE D. SCHAKOWSKY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Ms. SCHAKOWSKY. Madam Speaker, today I rise to congratulate Niles Township High School District 219, which is in the Ninth District of Illinois, for being named the best fine and performing arts program in the United States by the Kennedy Center for the Performing Arts. District 219 was singled out for its outstanding arts education programs on April 17 when it was presented with the 19th annual Kennedy Center Alliance for Arts Education Network and National School Boards Association Award at the National School Boards Association annual conference in San Francisco. Since 1989, only 38 school boards in 23 States have received this prestigious award, which recognizes achievements in arts education, from the Kennedy Center.

The Niles Township High School District 219 does not take arts education for granted. District 219 recognizes that it is fortunate to be able to dedicate $2.1 million—or 4.5 percent—to the art programs. Students are given the opportunity to take a range of classes and instruction and even drive the arts curriculum that is offered.

With such commitment to the arts by the school, faculty, and students, the arts programs continually receive honors and awards from noteworthy organizations. For example, Niles North High School, located in District 219, has been honored three times with the National Academy of Recording Arts and Sciences, NARAS, designation as a Grammy Signature School. District 219's theater programs have been invited twice by the American High School Theater Festival to perform at the Fringe Festival in Edinburgh, Scotland. And, numerous arts teachers have received ''teacher of the year'' honors.

Madam Speaker, I am so proud of District 219 because it understands the importance of bringing the wonders of the arts to a broader community, especially to our young adults. Niles Township High School District 219 is truly a model for arts education in Illinois and nationwide. Once again, I congratulate them on their latest achievement.

[From the Chicago Tribune, Apr. 25, 2007]

ONE FINE FINE-ARTS PROGRAM: SCHOOLS' DEDICATION PAYS OFF IN A NATIONAL AWARD FOR PROGRAMS AND IMMEASURABLE BENEFITS FOR STUDENTS

(By Lisa Black)

On any given day at Skokie's two public high schools, you might find a student stretching goat skin over a hand-crafted drum, or a math class learning geometric concepts through art mosaics.

A fashion class could be designing costumes for the schools' elaborate plays and musicals, while others listen to a renowned resident artist.

At Niles North and Niles West High Schools, the diverse collection of students celebrates the arts with a passion more in keeping with the reverence for football in West Texas.

At home, more than half the students speak a language other than English—led by Korean, Urdu, Assyrian, Spanish, Tagalog and Russian—yet when it comes to the arts, they share a language.

Now, the Kennedy Center for the Performing Arts in Washington, D.C., has singled out Niles Township High School District 219 and its school board for having the nation's best arts program, calling it ''a model for arts education in Illinois and throughout the country.''

The Kennedy Center presented the award, along with $10,000, during the National School Boards Association's annual conference in San Francisco last week.

''It's an amazing accomplishment,'' said Lori Real, fine-arts teacher at Niles North, as her students painted on silk screens. She pointed out handcrafted African instruments, called doumbek drums, that her students also are working on.

''The arts provide that hands-on experience our students crave,'' Real said. ''It's that hands-on experience of connecting with yourself. I think we're kind of a disconnected society now.''

The Kennedy Center for the Performing Arts is a public-private partnership that has given out the award for 19 years, basing its decision on a school district's quality and breadth of programs, student involvement and parent support, quality of teaching, and partnerships with the community.

Students filled the gymnasiums at both Skokie campuses Friday, cheering student artists, actors, musicians, dancers and their teachers.

''This is the first time I think we had a fine-arts assembly,'' said a delighted school board President Robert Silverman. ''The kids in fine arts were on the gym floor being recognized. I think it made them feel terrific.''

While athletes may rule the roost at other schools, in District 219, it's the arts students who get the most attention.

''It's nice to have a few of my jock friends come to see a production and really be blown away,'' said Clayton Fox, 18, of Skokie, president of the Niles North Thespian Troupe.

The arts have long been treasured in District 219, but in 2004 the school board decided to push the program to a higher level by creating a position of fine-arts director. Before that, the position combined the job of director for the English and Fine Arts Departments, officials said.

The 4,800-student district pulls from a robust tax base in Skokie, Lincolnwood, Morton Grove and Niles and devotes $2.1 million—or about 4.5 percent of its annual instructional budget—to the arts. That's about $442 per student, according to district figures. That compares to arts spending of 2 to 3 percent of school budgets statewide, according to a 2005 survey of school administrators.

In 2006 District 219 spent $17,422 per pupil in operating expenses, ranking it third among all districts in statewide. High school districts spent an average $12,365 per pupil, according to the Illinois State Board of Education.

Within the past two years the District 219 equipped both schools with $250,000 fine-arts resource laboratories, each with 25 computers, keyboards, a teacher workstation and specialized art and music software. Before that, the district completed black box theaters at each school. They are small, unadorned rooms with dark floors and curtained walls that provide an intimate and versatile performing space.

Some District 219 teachers and students said they felt a bit guilty about the award, because it reminds them of the disparities between their school and the less affluent. Real, who taught in the Chicago Public Schools for 12 years, said District 219 participates in student exchange programs with inner-city schools.

The Kennedy Center judges noted that the depth of courses allows students to take art classes during all four years of high school and that many programs are student-driven, said Barbara Shepherd, director of the center's national partnerships division.

On a recent afternoon at Niles North, students in jeans and flip-flops plunked down on band room chairs, lifted their stringed instruments and dove into a Brahms piece. Their no-nonsense orchestra director, Pam Hendrix, grabbed a late slip from a new arrival without missing a stroke of her baton.

The district has just added guitar lessons and digital piano to its music program, ''filling a niche for students who don't fit into traditional band and choir,'' Hendrix said later. ''The kids want to jam.''

In the same classroom wing, Tim Ortmann led a drama class for students with physical and mental disabilities in the black box theater.

Ortmann, the school's theater director, led his students through sweeping motions and vocal exercises, prompting giggles when he asked students to say, then sing the phrase, ''Open-Pit barbecue sauce.''

''Do I have to come and push your tummy?'' he joked when one student's song came out high-pitched and breathless.

Niles North and Niles West students present about eight musicals and plays at each campus per year, designing their own

costumes and sets. The theater program has twice been invited by the American High School Theatre Festival to perform at the Fringe Festival in Edinburgh, Scotland.

Students said they are thrilled, but not surprised, that their district won the Kennedy Center award.

Sari Weintraub, 17, a junior at Niles West who plays oboe, described her school's concerts as a multimedia affair, complete with audiovisual presentations and musicians who move around the auditorium for a ''surround sound'' effect.

''He likes to incorporate everything,'' she said of her band director.

''It keeps people from getting bored.''

Fox was one of three students chosen as a member of the Niles North ''director's circle'' this year.

After being selected through an extensive audition, the circle members produce and perform the first play the following school year. In return, they serve the theater department, completing tasks and mentoring other students, throughout the rest of the year. ''He will push you as far as you can possibly go,'' Fox said. ''He wants you to be the best. And once you get there, no one will give you more respect than he will. It's tough love. He wants to see us succeed.''

TRIBUTE TO RABBI JONATHAN JAFFE BERNHARD

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. BERMAN. Madam Speaker, I rise today to pay tribute to my good friend Rabbi Jonathan Jaffe Bernhard in recognition of his installation as Senior Rabbi of Adat Ari El. As a long-time member of the synagogue, I know firsthand of his excellent work and outstanding accomplishments, and have been the beneficiary of his ability to offer solace and comfort at difficult times.

Jonathan Bernhard was born in Great Neck, Long Island, NY. From age seven to fourteen, he lived with his parents in London and then they returned to make their home in Manhattan. His interest in Judaism was sparked by reading Elie Wiesel's book, ''Night.'' While attending Haverford College, he majored in religious studies and he also worked on a Kibbutz. After receiving his BA in 1988, he traveled to Los Angeles to attend Brandeis-Bardein Summer Institute and then continued extensive studies at Yeshiva (Yeshivat Hamivtar) in Efrat on the West Bank.

Jonathan's experiences in Israel inspired him to become an observant Jew. He wanted to become a professor of religion when he moved back to the United States. While living in Boston, he rekindled his friendship with Laurie Jaffe who encouraged him to pursue the rabbinate. They met at Brandeis-Bardein Institute in California in 1988.

Upon completing his studies at the Jewish Theological Seminary, Rabbi Bernhard was ordained in 1996 and took a position at Adat Ari El. Adat Ari El is in the heart of my congressional district and was the first conservative synagogue in the San Fernando Valley. Rabbi Bernhard is at the spiritual center of the Congregation and deserves commendation for his dedication to Jewish principles, education and culture. He continues to create and maintain a wonderful sense of Jewish community by helping provide an Early Childhood Center, Day School, Religious Schools, Adult Education and Sisterhood programs as well as Holiday services, daily Minyan services and the life cycle services (weddings, funerals, baby namings, bar/bat mitzvahs, unveilings.)

Jonathan and Laurie married in 1992 and they are proud parents of three sons, Nathaniel, Micah and Elijah.

I ask my colleagues to join me in saluting and honoring Rabbi Bernhard for his invaluable role at Adat Ari El and within the Jewish community, and wishing him our fervent hope for continued success.

IN RECOGNITION OF RICHARD BERNSTEIN, THE JEWISH COMMUNITY RELATIONS COUNCIL'S 2007 ACTIVIST OF THE YEAR

HON. JOE KNOLLENBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. KNOLLENBERG. Madam Speaker, I want to recognize the accomplishments of Richard Bernstein and congratulate him as he receives the Jewish Community Relations Council's Activist of the Year Award for 2007. His unparalleled dedication to upholding and defending the rights of the disabled is a priceless commodity to the citizens of the State of Michigan.

Mr. Bernstein has been an inspiration to many throughout his career. Blind since birth, he is a graduate of the University of Michigan and Northwestern University Law School and currently serves as an attorney with the Law Offices of Sam Bernstein in Farmington Hills. His tireless work ethic and advocacy for disabled rights and the public interest has ensured that the disabled have an equal footing with the entire community. His penchant for running marathons epitomizes his work ethic; he does not shy away from daunting tasks and knows how to finish them.

I am proud to have been able to work with Mr. Bernstein to help blind and dyslexic students to access textbooks and keep up with students that can read the printed word. After securing federal funding, Mr. Bernstein and I were able to work together with the Recording for the Blind and Dyslexic—Michigan Unit to provide blind and dyslexic students access to audio texts so that they can learn and succeed in school, providing them with the knowledge and skills to find jobs after graduation. This important work underscores Mr. Bernstein's commitment to helping the disabled achieve an equal footing in our society.

Madam Speaker, Richard Bernstein has been and will continue to be a pillar for our community. I congratulate him upon receiving this well-deserved award and look forward to working with him in the future as he continues to devote his work to bettering the lives of so many.

HONORING THE LIFE AND SERVICE TO THE UNITED STATES OF AMERICA OF ARMY SPECIALIST JOHN D. FLORES OF GUAM

HON. MADELEINE Z. BORDALLO

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Ms. BORDALLO. Madam Speaker, I rise today in remembrance and recognition of United States Army Specialist John D. Flores of Barrigada, Guam. Specialist Flores died on May 3, 2007, as a result to injuries sustained when his unit came under attack in Baghdad, Iraq. SPC Flores was 21 years old. He is the tenth son of Guam to make the ultimate sacrifice for his country in the ongoing war on terror. The loss of an outstanding soldier like Specialist Flores is grave for the entire Nation. But the pain of John's passing is most severely felt by Guam and its people—his beloved home and neighbors.

SPC John Flores was a fine soldier who, like many before him from Guam, served the United States and our community with selfless dedication. He answered our country's call to duty and he made the ultimate sacrifice in our defense.

John was not only a dedicated soldier, but also a kind and generous person, a devoted husband, and a loving father. He had been married to his wife Charlene for just over a year. They graduated together from George Washington High School in 2004. John was immensely proud of, and loved dearly, his daughter, Chloe. His family will always remember him being a young man who celebrated life to its fullest and one who possessed maturity beyond his years. His love for his family, his devotion to his island, and his dedication to his country and flag will always serve as an outstanding role model for and inspiration to his family, friends, and future generations of Guam soldiers.

I was deeply saddened to learn of Specialist Flores's passing, as I have been for all of the servicemembers from our island and communities across the United States who have given their lives in service to our country. I join the people of Guam and all Americans in offering my most sincere condolences and heartfelt prayers to SPC John Flores' family, friends, and fellow soldiers during this difficult time. In particular, on behalf of a grateful country, I extend my deepest sympathies to John's wife, Charlene, and his daughter, Chloe. Our country and our island owe Specialist Flores and his loved ones an unpayable debt of gratitude for the sacrifice they have made on our behalf.

John was an admirable son of Guam, a proud American soldier. He proved that he was willing and prepared to defend his country and his home island, no matter what the price. He lost his life in the noble effort to rebuild a nation in freedom so that others might some day know the joys of liberty and justice. And for that sacrifice, we are eternally grateful. God Bless John Flores, and God Bless our great country, the United States of America.

TRIBUTE TO JUSTICE JOSEPH RATTIGAN

HON. LYNN C. WOOLSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Ms. WOOLSEY. Madam Speaker, I rise with sadness today to honor my good friend and respected mentor, Justice Joseph Rattigan, who passed away after a long illness on May 12, 2007, in Santa Rosa, California. He was 87 years old.

Joe Rattigan is a legend in Sonoma County and in California. During a long career as an activist, a civic leader, a State legislator, and a jurist, he earned respect from all whose lives he touched, whether political ally or rival. Known for his eloquence, wit, intelligence, and passion, this remarkable man always had time for people and their concerns. He mentored other lawyers and judges as well as generations of Democratic politicians. In fact, his counsel meant a great deal to me when he unexpectedly volunteered his support in my first congressional primary with a field of nine candidates. His endorsement—unsolicited, unequivocal and from the man widely respected as the dean of Sonoma County politics—instilled in me the confidence I needed to succeed.

Born in 1920, Joe grew up in politics in Washington, DC, where his father was a law partner with Senator O'Mahoney from Wyoming. He attended Catholic University and, after graduating in 1940, worked briefly for the Department of Agriculture before joining the Navy to fight in World War II. He served as an intelligence officer and then commanded a PT boat in the Pacific, earning a decoration for heroism in combat.

After the war, Joe enrolled in Stanford Law School, graduating in 1948. He was part of a post-war generation of young lawyers who settled in California at that time and made their mark on a booming State. He soon joined a Santa Rosa law firm and plunged into local affairs and Democratic politics. He served as president of the Sonoma County Bar Association, county chairman for Adlai Stevenson's 1956 Presidential bid, and a member of the Santa Rosa Board of Public Utilities.

Joe jumped into electoral politics on his own behalf in 1958. He became the youngest State senator in the county's history at age 38, as the Democrats took back the legislature and Edmund G. ''Pat'' Brown became governor, ushering in a new golden era for the California. He served two terms, authoring or coauthoring several key bills, including measures establishing medical care services for the elderly, a model for the Federal Medicare program, the Department of Rehabilitation, and the State university system. In 1960, his last minute maneuvering created Sonoma State College, later University, which is now an integral part of the county as well as of the State's education system.

During his time in the legislature and his subsequent 18 years as a justice on the Court of Appeal for Northern California, Joe fought for the oppressed. Having grown up in a segregated city, he was fiercely opposed to discrimination. He supported the controversial Rumsford Fair Housing Act which ended the use of restrictive covenants in housing. He also carried the one-man, one-vote reapportionment measure that altered the way state senators were elected even at a personal cost. This measure split Sonoma County into two districts, causing Joe to lose his seat.

Principle always came before politics with Joe Rattigan. He fought against the death penalty, attempting to save convicted felon Caryl Chessman when he was a freshman senator. It is widely believed that his principled opposition cost him a seat on the State Supreme Court. During his time as an appellate justice, however, he continued to make a mark on California; for example, he supported separation of church and state (despite his Catholic upbringing), championed a first in the Nation requirement for cities and counties to adopt general plans, and wrote a decision overturning Black Panther Party leader Huey Newton's murder conviction, which was later upheld.

Joe is survived by Elizabeth (Betty), his wife of 65 years, whom he met in the second grade, by his six children—daughters Catharine Kalin and Anne Paine and sons Michael, Thomas, Patrick, and Timothy Rattigan—as well as 12 grandchildren.

Madam Speaker, this week Sonoma County residents mourn the passing of Joseph Rattigan. Whether people agreed with him or not—and many in the far more conservative Sonoma County of the 50s and 60s did not—he was respected for his integrity, his political acumen, his sharp legal mind, and a heart as big as the Golden State. In 1997, the State building in downtown Santa Rosa was named the Joseph Rattigan State Building. I would hope that those who pass who pass through its doors into the bright sunlit foyer will stop for a moment and consider the greatest legacy of Joseph Rattigan: a life that demonstrated that good government isn't only desirable, it is possible.

INTRODUCTION OF FOREIGN PIRACY RESOLUTION

HON. BOB GOODLATTE

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. GOODLATTE. Madam Chairman, as co-chairman of the Congressional International Anti-Piracy Caucus, I rise today to introduce, along with my fellow co-chairman, Representative ADAM SCHIFF, this resolution calling on foreign governments to lead by example in the fight against copyright piracy.

Our Nation's Framers had the foresight to place language in our Constitution to protect creators' inventions and works. Article I, Section 8 of the Constitution lays the framework for all of our intellectual property laws. Because the United States has been the pioneer for intellectual property protections, it is no surprise that the copyright industries are so successful and are so crucial to our national economy. The U.S. copyright industries have created millions of high-skilled, high-paying U.S. jobs and have contributed billions to our economy.

However, widespread piracy is taking its toll on the copyright industries. Copyright piracy results in billions of dollars in lost revenue for the U.S. copyright industries each year and even greater losses to the U.S. economy in terms of reduced job growth and exports. Much of the piracy these industries are facing is in foreign countries, and portions of this foreign piracy are attributable to unauthorized software use by government agencies, as well as the use of official government computers and networks to commit all types of copyright infringement.

While the United States is the world's leader in intellectual property protections, the problem does not stop at our borders. Piracy in today's economy is a global problem. We must encourage other countries to enact and enforce strong intellectual property laws in order to fully protect America's inventors and authors.

Foreign governments would do well to start by setting an example and denouncing piracy within their own agencies. One particularly disturbing trend is the growing willingness of many foreign governments to condone the use of, and even use, pirated materials. At its best, government sets the standards for the protection of rights. At its worst, government encourages and even participates in the breach of those rights.

Today, I am introducing this resolution to call on all foreign governments to publicly denounce pirated products. Specifically, this resolution calls on foreign governments to follow the example set by the United States to discourage software piracy by the government, and to prevent the use of government computers to facilitate other types of piracy. Specifically, our resolution calls on foreign governments (1) to stop using unauthorized software, (2) to enact usage policies for government computers and networks that will prevent all types of copyright piracy over their systems, and (3) to make these efforts to combat piracy in government public to their citizens.

It is my hope that this resolution will send a strong message to foreign governments to lead by example and set the standards regarding intellectual property protection for their countries.

I urge each of my colleagues to support this commonsense resolution.

PERSONAL EXPLANATION

HON. CHRISTOPHER SHAYS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. SHAYS. Madam Speaker, on May 16 and 17, 2007, I was participating in the World Economic Forum in Amman, Jordan and, therefore, missed 14 recorded votes.

I take my voting responsibility very seriously. Had I been present, I would have voted ''no'' on recorded vote number 364; ''no'' on recorded vote 365; ''no'' on recorded vote 366; ''yes'' on recorded vote number 367; ''no'' on recorded vote 368; ''yes'' on recorded vote 369; ''yes'' on recorded vote number 370; ''no'' on recorded vote 371; ''yes'' on recorded vote 372; ''yes'' on recorded vote number 373; ''no'' on recorded vote 374; ''no'' on recorded vote 375; ''no'' on recorded vote number 376; and ''no'' on recorded vote 377.

IN HONOR OF THE TREMENDOUS PUBLIC SERVICE OF FRED WINKLER

HON. SCOTT GARRETT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. GARRETT of New Jersey. Madam Speaker, I rise today to pay tribute to the tremendous public service of Fred Winkler of Hillsdale, New Jersey. At 80 years old, he is the longest-serving volunteer in the Hillsdale Fired Department and he shows no signs of slowing down.

Fred Winkler joined the fire department about 60 years ago when he returned from his service in the Navy Air Corps during World War II. He helped to start their ambulance corps and served as the fire department's chief in 1956 and president in 1958. His extraordinary dedication to the Hillsdale Fire Department earned him the Firefighter of the Year award in 1982.

In addition to the time he devotes to the fire department, Fred Winkler is also committed to his role in other parts of his community. He helped to start a fishing program for young people through his involvement with Friends of the Pascack Brook. He is active with the veterans' community through his local American Legion. And, Fred Winkler spent 10 years helping to renovate the landmark Hillsdale Railroad Station.

About 10 years ago, the borough of Hillsdale honored Fred Winkler for his true sense of service to his community by naming a street after him. This coming Sunday, the Hillsdale Fire Department will honor him with a firehouse open house. It is a great privilege to join his proud neighbors in honoring the shining example of public service that is the life of Fred Winkler and I commend him for his dedication to his community.

RECOGNITION OF PATHWAYS TO POSITIVE AGING

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. STARK. Madam Speaker, I rise today to pay tribute to Pathways to Positive Aging, a collaborative project between the city of Fremont California's Human Services Department and the Tri-City Elder Coalition. This exciting Robert Wood Johnson funded project is helping seniors and communities to make choices for a healthier future. This community plan enables all older adults living in the Tri-City area of Fremont, Newark and Union City, California to understand, choose and access culturally enriched affordable services and opportunities that enhance their quality of life.

The Tri-City Elder Coalition is comprised of over 60 organizations and individuals including health care and long-term care providers, community and government agencies, faith-based/cultural organizations, senior service organizations, universities, elected officials and older adults.

The city of Fremont and the Tri-City Elder Coalition have identified five initiatives that support the health, well-being and independence of older adults. These include increased access to older adult services, increasing and sustaining older adult mobility, increasing the capacity of community groups to serve all older adults, and fostering cross cultural and intergenerational exchange that create meaningful opportunities for older adults.

Pathways to Positive Aging will focus on older adults who are at increased risk of disability due to poverty, race, ethnicity, chronic illness or advanced age as well as older adults with physical or cognitive impairments who require long-term care and supportive services.

It takes a community to support successful aging. Pathways to Positive Aging is a community partnership focused on improving long-term care and supportive service systems to meet the current and future needs of older adults.

I applaud the city of Fremont Human Services Department and the Tri-City Elder Coalition for meeting the challenge to build a community that is safe and welcoming; one that respects diversity and values senior participation; a place where information is easily available for all seniors; where seniors can be actively involved and where cultures and generations come together to support one another.

Pathways to Positive Aging will bring awareness, acceptance and a call to action that will embrace the aging process for all Tri-City residents. I join the community in thanking the city of Fremont Human Services Department and the Tri-City Elder Coalition for their commitment and dedication to make a positive difference toward successful aging.

HONORING THE 17TH ANNUAL DC BLACK PRIDE CELEBRATION

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Ms. NORTON. Madam Speaker, Memorial Day Weekend, May 23–27, is the 17th Annual Black Pride celebration in Washington, DC.

DC Black Pride is an exciting 5-day event complete with dynamic workshops, receptions, cultural arts activities, small and large nightclub events that culminates in the world's oldest, most inclusive Black Pride Festival in the Washington Convention Center. Many consider DC's festival one of the world's preeminent Black Pride celebrations. The festival consistently draws more than 30,000 people to the Nation's Capital. Attendees come from every major urban area in the United States as well as Canada, the Caribbean, South Africa, Great Britain, France, Germany, and the Netherlands. The Black Pride Festival features activities for the entire family, including performances by national recording artists, 200 exhibition booths, book signings from noted writers, participation from national and local health organizations, and arts and crafts.

Black Lesbian and Gay Pride Day, Inc. (BLGPD), the celebration's organizing body, chose the theme ''Black All Over: Liberty-Unity-Strength'' to encourage the Black lesbian, gay, bisexual, and trans gender (LGBT) community to work together towards combating homophobia, promoting health and wellness, strengthening their community, and encouraging Black LGBT people everywhere to live their lives with pride.

Black Lesbian and Gay Pride Day, Inc., a non-profit organization with a volunteer Board of Directors, coordinates this annual event. BLGPD's 2007 Board consists of James W. Hawkins, President; Ray Daniels, Vice President; Janisha Gabriel, Secretary; Lisa Washington, Treasurer; and the following Members at Large: Donovan Anderson, Khalid Parker, Courtney Snowden, Sterling A. Washington, Shanika Whitehurst, DaJuan Xavier; and these Members Emeritus: Earl Fowlkes, Eric E. Richardson, Clarence J. Fluker, and Cheryl Dunn, who lead BLGPD in its mission to build knowledge of and to create greater pride in the Black LGBT community's diversity, while raising funds to ameliorate and prevent health problems in this community, especially HIV/AIDS.

I ask the House to join me in welcoming all attending the 17th annual DC Black Pride celebration in Washington, DC, and I take this opportunity to remind the celebrants that United States citizens who reside in Washington, DC, are taxed without full voting representation in Congress.

HONORING THE LIFE AND SERVICE OF PAUL JOSEPH BORDALLO

HON. MADELEINE Z. BORDALLO

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Ms. BORDALLO. Madam Speaker, I rise today to recognize the life of Paul Joseph Bordallo, a leader whose service to Guam as a senator, a businessman, and as a community activist, leaves an indelible mark in the history of our island and will be remembered for many years to come. Paul passed away on May 12, 2007, leaving his wife, the former Arlene Perez Bias; his children, Penelope, Oliver, Renata, Jonathan, Paul, Alethea, and Rosalia; his grandchildren, and a large extended family, which includes myself. Paul was my brother-in-law, the younger brother of my late husband, Ricardo J. Bordallo, the sons of Balthazar J. Bordallo.

But Paul did not stand in the shadow of his father or brother. He cast a very long shadow of his own, in both the business and political arenas on Guam. Paul Bordallo was a statesman and a visionary in his own right and our island has lost a truly great man.

The impact of his ideals and accomplishments has been profound and lasting. Paul was proud of his Chamorro heritage and was a staunch proponent of indigenous civil, political, cultural, and land rights, but he did not clamor for attention to these issues. Where other activists sought action through protests and demonstrations, Paul instead worked diligently to address and secure these rights through the political process. He was a soft-spoken intellectual who relied on reason and logic to make his point.

As a member of the 11th and 12th Guam Legislatures, Paul authored the Chamorro Land Trust Act, which reserves public land for the use and benefit of Guam's indigenous people; the Guam Historic Preservation Act and the law making English and Chamorro the official languages of Guam. He co-authored the Guam Territorial Seashore Protection Act and the Ocean Shore and Territory Beach Access Act, mandating public access to all

beaches and shorelines. He co-authored legislation to establish the first Political Status Commission, which sought to address the still-unresolved issue of political self-determination for the people of Guam. Paul was a member of the Commission on Self-Determination, which crafted Guam's Draft Commonwealth Act, a proposed transition which was to culminate in a final political status for Guam. Paul was the author and major proponent of the provisions for the Chamorro only vote and a political relationship with the United States based on mutual consent. These issues remain highly controversial, even to this day, and although Paul played a pivotal role in advancing them, his insight and his wisdom won him the admiration and respect of many in our community.

As evidenced by his legislative agenda, Paul Bordallo's love for Guam's natural environment was visionary and uncompromising. In the 1970s, he was instrumental in the efforts which thwarted the Navy's plans to condemn land surrounding Sella and Cetti Bays, two of Guam's most scenic vistas and visitor attractions, for a new ammunition wharf. This ultimately resulted in the construction of the new ammunition wharf on Orote Peninsula, land already controlled by the Navy, and the release of the old ammunition wharf, on Cabras Island, to the civilian government for development of its ocean freight capacity. Although ahead of his time, Paul's opposition to the condemnation of additional land for military purposes paved the way for cooperative efforts between the federal government and the people of Guam to resolve land issues.

Paul served on the board of the Guam Memorial Hospital for 9 years, from 1961 to 1970, including three terms as board chairman. In the wake of Supertyphoon Karen, Paul served on the Small Business Administration's Disaster Loan Board from 1963 to 1966. Paul also served as the Chairman of the Board of Directors of the Guam Economic Development Authority from 1996 to 1998. He was an advisor to the National Trust for Historic Preservation in Washington, DC, and a long-time member of the Democratic Party of Guam, the Guam Chamber of Commerce, and the Guam Visitors Bureau.

As class president, Paul graduated from Guam's George Washington High School in 1948. He attended St. Mary's College in Moraga, California, with a 4.0 grade average. He then transferred to Stanford University and, as a member of Phi Beta Kappa, graduated cum laude with degrees in economics and anthropology in 1952. He earned a master's in business administration and finance from Harvard University's School of Business in 1954. Upon returning to Guam, Paul went to work for Guam Savings and Loan Association, headed by Joseph Flores. He was drafted into the army in 1956 and served for 2 years. In 1959, he started his own business, Family Finance Company, Incorporated. An avid boater and fisherman, he also established Marianas Boats and Motors, Inc., to serve Guam's boating and fishing community. Both firms are still in business today.

Despite his failing health in recent years, Paul remained a pillar of strength and courage for the entire Bordallo family. I often turned to him for his wisdom and good judgment. We all will miss him dearly and we find solace in knowing that the people of Guam join us in mourning his passing and honoring his memory.

PERSONAL EXPLANATION

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Ms. DELAURO. Madam Speaker, I was unavoidably detained and so I missed rollcall vote No. 328 regarding ''Holding a Secret Session.'' Had I been present, I would have voted ''no''.

IN RECOGNITION OF GLYNNA COLE

HON. DOUG LAMBORN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. LAMBORN. Madam Speaker, I rise today to recognize Mrs. Glynna Cole on the occasion of her reelection as American Legion Post Commander at Post 5 in Colorado Springs. The first woman ever to hold this office at Post 5, since it was founded in 1919, Mrs. Cole joined the Women's Army Corps in 1964.

Mrs. Cole has contributed a lifetime of honorable service to the Armed Forces. Assigned to the Pentagon at the start of her career, Mrs. Cole went on to work at the Draft Board in Stanton, Texas, the Army Reserves, and the Air Force Academy in Civilian Personnel until her retirement in 1995.

Like so many great Americans, Mrs. Cole has continued, in retirement, to make a positive contribution to society. She is an active member in several groups and organizations including the Worthy Matron Order of the Eastern Star and Daughters of the Nile, and was President of both the Auxiliary Aerie 3260 and Women's Army Corps Veterans Chapter. In 2004, she became Adjutant at the American Legion Post 5 and was first elected Post Commander in 2006. Mrs. Cole is both an asset to our Colorado Springs community and to our Nation, and I am honored to recognize her today.

REQUESTING A NAVAL ROTC PROGRAM AT UNIVERSITY OF MIAMI

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Ms. ROS-LEHTINEN. Madam Speaker, I would like to take this opportunity to express my strong support for a Naval Reserve Officer Training Corps program at the University of Miami. The students at this prestigious university deserve the opportunity to engage in this tremendous program. Located in South Florida the university provides an ideal location to offer a quality program that can utilize many of the resources that are within close proximity. The success of Army and Air Force ROTC programs at the university are clear indicators of the interest and dedication the students have to serving our country in the Armed Services. A program at the University of Miami would be an incredible addition to the proud tradition of the Naval Reserve Officer Training Program, and so I request that my colleagues support this amendment.

COPS IMPROVEMENTS ACT OF 2007

SPEECH OF

HON. KEITH ELLISON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 15, 2007

Mr. ELLISON. Mr. Speaker, I rise today to celebrate the bi-partisan passage of H.R. 1700, the COPS Improvement Act of 2007.

The COPS program has been one of the most successful law enforcement programs in our Nation's history. Created in 1994 as part of the ''Clinton Crime Bill,'' it is often referred to as the 100,000 cops program. In fact, COPS has put almost 120,000 more officers on the street nationwide, 1,400 new officers in Minnesota, and 354 additional police officers and/or sheriff deputies in the 5th Congressional District which I serve.

With the passage of the COPS Improvement Act, an additional 151 officers will likely be hired in the 5th Congressional District over the next 6 years.

The COPS program was created as an incentive to law enforcement agencies to hire more officers. COPS provides that incentive by assuming 75 percent of an officer's salary for 3 years. Funded at over $1 billion a year near the end of the Clinton Administration, the hiring portion of COPS has been zeroed out under President Bush.

According to a study by the non-partisan General Accounting Office (GAO), between 1998 and 2000, COPS grants were responsible for reducing crimes by about 200,000 to 225,000 crimes—one third of which were violent. In 1998, COPS grants were responsible for an 8 percent decrease in crimes—and a 13 percent drop in violent crimes.

Yet, President Bush and Republicans in Congress eliminated the hiring program last year, at the same time, violent crime spiked across the Nation.

Earlier this year, the Police Executive Research Forum, a prominent law enforcement association, released a report which found that violent crime rose by double digit percentages over the last two years. Among the cities surveyed, since 2005, 71 percent had an increase in homicides, 80 percent saw robberies rise and 67 percent reported an increase in aggravated assaults with guns.

Thankfully, under the leadership of Mayor R.T. Rybak, Minneapolis was not among those cities. In fact, Minneapolis has seen an 11 percent decline in violent crimes since the beginning of the year.

We want to keep those statistics headed downward and the way to do that is through the funding of successful hiring programs like COPS.

If the COPS Improvement Act of 2007 passes into law, an additional $11,159,925 will likely flow into law enforcement agencies for hiring additional officers in the 5th Congressional District of Minnesota in the next 6 years. Furthermore, an additional $4,110,303 in technology grants will likely flow to the 5th District and 3 more school resource officers will likely be put on the beat.

Little wonder this legislation has been endorsed by the International Association of Chiefs of Police, the National Sheriffs Association, the Fraternal Order of Police, the National Association of Police Organizations, the U.S. Conference of Mayors, and the National League of Cities.

COPS has been one of the most cost-effective law enforcement programs in our nation's history resulting in dramatic declines in both crime and violent crime rates.

It is good common sense that the new Democratic Congress has sought to restore funding to this successful program. It is good for the 5th Congressional District of Minnesota; good for the state of Minnesota; and good for America.

I am proud to have voted to make our streets safer by supporting the COPS Improvement Act of 2007.

HONORING MR. AND MRS. JOSEPH AND SANDRA MORROW FOR THEIR SERVICE AND DEDICATION TO THE NORTHWEST INDIANA COMMUNITY

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. VISCLOSKY. Madam Speaker, it is with great respect and sincerity that I take this time to honor Mr. and Mrs. Joseph and Sandra Morrow of Schererville, Indiana. On Wednesday, May 23, 2007, Joe and Sandy will be honored by the Calumet Council, Boy Scouts of America for their many years of service and many contributions to their community. The Calumet Council will be honoring Joe and Sandra at the 2007 Distinguished Citizens Dinner, which will be held at the Center for Visual and Performing Arts in Munster, Indiana.

Joseph Morrow, originally from Huntington, Indiana, has always proven himself to be a dedicated member of the Northwest Indiana community. From a very young age, Joe realized the need for community participation and joined the Boy Scouts, where he would eventually attain the rank of Life Scout. After graduating from Huntington High School in 1949, Joe continued his commitment to his community and country as he enlisted and served in the United States Air Force from 1950–1954. From there, Joe went on to further his education and decided to pursue a career in the legal profession. Upon graduating from law school in 1958, Joe entered the practice of law. From there, the law firm of Schroer, Eichhorn, and Morrow emerged, where Joe remained until 1979. At that time, Joe left the firm and was named Chairman of Mercantile National Bank of Indiana, First National Bank of Illinois, and Home State Bank of Crystal Lake, Illinois, as well as President of the Lake Commercial Group.

Throughout the years, Joe has been a constant fixture in his community. He serves or has served in various capacities on the boards for many organizations, including: Indiana Bond Bank, Hoosier Boys Town, Northern Indiana Arts Association, Trade Winds Rehabilitation Center, Calumet Council—Boy Scouts of America, Indiana University Northwest-Chancellor's Advisory Board, Indiana University-Purdue University Calumet Region Campus Advisory Board, Purdue University Calumet-Chancellor's Council, Northwest Indiana Urban League, Gary Accord, Campaign America, Hammond Bar Association, Community Foundation of Northwest Indiana, Munster Medical Research Foundation, Indiana University Foundation, Indiana University Varsity Club, First National Bank of Illinois, Home State Bank, and the Audubon Country Club Foundation.

Sandra (Murray) Morrow, a native of Hammond, Indiana, has always shared the same compassion and willingness to serve her community. As a child, Sandy was always involved in community-oriented activities, such as the Brownies and Girl Scouts, and she attended Camp Paxton for summer camp. Upon her graduation from Hammond High School, Sandy went on to Indiana University, where she earned her Bachelor of Science degree in speech and hearing therapy. In 1956, she and Joe were married, and she continued to teach, traveling between Indianapolis, Bloomington, and Hammond.

Sandy's lifelong commitment to her community is an inspiring testament to her character. Sandy, like her husband, has served in many capacities with many organizations in the Northwest Indiana community, including: President of the Service League of Hammond, the Women's Board of the Bethany Home for Girls, the Women's Board of Hoosier Boys' Town, and she served on the boards for the Northwest Indiana Symphony, Beta Gamma Upsilon Sorority, Audubon Country Club, and the South Shore Arts Board.

While they remain truly committed to the Northwest Indiana community, Joe and Sandy's greatest enjoyment is the time spent with their beautiful family. The couple has one son, Chris, and one daughter, Gale Morrow Crabtree, as well as four adoring grandchildren.

Madam Speaker, at this time, I ask that you and my other distinguished colleagues join me in congratulating Mr. and Mrs. Joseph and Sandra Morrow as they are honored for their service and dedication to the Northwest Indiana community. Their years of service have touched and improved the lives of countless individuals. Their unselfish and lifelong dedication is worthy of the highest commendation, and I am proud to represent them in Congress.

IN HONOR OF THE OPENING OF THE KAPLEN FAMILY SENIOR RESIDENCE IN RIVER VALE, NEW JERSEY

HON. SCOTT GARRETT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. GARRETT of New Jersey. Madam Speaker, I rise today in honor of the opening of the latest addition to the Bergen County Jewish Home Family, the Kaplen Family Senior Residence in River Vale, New Jersey. The local Jewish community has worked hard to plan and prepare for this home for more than a decade, and its doors are being opened to great exuberance.

Assisted living homes have become a very popular option for senior living. More and more families are working to care for young children and aging parents simultaneously. Assisted living facilities offer a loving and supportive environment for seniors. Families can rest easy that their parents are being cared for in a homestyle environment. And, seniors can have the independence they desire, knowing all the while they have access to quality medical and life services that they may need.

What sets this assisted living home apart from others is that it is the first to offer a kosher environment. I commend Bill and Maggie Kaplen and the Kaplen Foundation for taking the initiative to meet this community need and to make this dream a reality.

I've worked for years with the Jewish Home community in Bergen County. With each visit to the Jewish Home in Rockleigh, I have encountered friendly, thoughtful staff and happy, content residents. I am certain that this newest facility will offer the same caring environment and neighborly feel.

RECOGNIZING THE ACCOMPLISHMENTS OF DAVID HEARN

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Ms. NORTON. Madam Speaker, I rise today to recognize the achievements of one of my constituents, David Hearn, who will retire this month after almost 46 years as the organist for St. Paul's Lutheran Church here in the District of Columbia.

For more than four decades, Mr. Hearn has graced the congregation of St. Paul's and this city with classical and religious music including hymns, spirituals, and music from other lands.

Mr. Hearn's love of church music was influenced early by his mother, a singer and choir director, as well as his father who had a fine tenor voice. He earned a music degree from Ashland University in Ohio and a graduate degree from Case Western Reserve University in Cleveland. He also completed summer courses at Oberlin College and Baldwin Wallace Conservatory in Ohio.

After a stint in the Army, Mr. Hearn came to the Washington area when offered a teaching contract in the Montgomery County school system. While there, he taught in all grades and eventually became Choral Director and Head of the Music Department at Wheaton High School. Under his direction, the choir performed in many local venues, including St. Paul's. They also traveled widely and were honored to sing a Sunday morning service at Old North Church in Boston during the Bicentennial year celebrations. The Madrigal singers also sang in Montreal, Boston, and Washington Cathedral.

When Mr. Hearn became Music Director at St. Paul's on a snowy Sunday morning many years ago, he played a small Hammond organ in the chancel of the church. As the church grew and prospered, Mr. Hearn led the effort by the church to acquire the impressive Shantz pipe organ that today attracts prominent organists from around the country for recitals.

In addition to directing the St. Paul's choir and participating in services for decades, Mr. Hearn has hosted innumerable choirs and solo artists at St. Paul's for performances that have touched the lives of countless District residents. He has placed a special emphasis on developing the talents of gifted young singers and musicians and providing them with an opportunity to perform for appreciative audiences.

Mr. Hearn has spent decades enriching the cultural and religious life of District residents.

I am pleased to join the congregation of St. Paul's Lutheran Church in recognizing Mr. Hearn's service to his church and contributions to our community as he begins a well deserved retirement.

INTRODUCING THE MEDIKIDS HEALTH INSURANCE ACT OF 2007

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. STARK. Madam Speaker, it is with great pride that I rise today to introduce the MediKids Health Insurance Act of 2007, legislation to provide universal health coverage to our Nation's children.

In February, I was appalled when the Washington Post reported that 12-year-old Deamonte Driver passed away because his mother could not afford a basic dental procedure. An untreated infection in Deamonte's molar had spread to his brain. By the time he was brought to an emergency room, no amount of money could save him.

Deamonte Driver did not have to die. He would be still alive today if his mother had been insured, if more dentists accepted Medicaid, or if his family had not lost their Medicaid coverage.

This tragic story speaks to the shortcomings of our fragmented health care system. Millions of children are covered by their parents' health insurance plans. Medicaid and SCHIP provide care to millions of kids in families that meet their eligibility standards. Unfortunately, both programs have unnecessarily complex enrollment and review processes. Nearly 9 million children slip through the cracks of this incomplete system and go without health insurance each year.

Enough is enough. The wealthiest nation in the world can and should guarantee quality health care to all of our children. With insurance costs skyrocketing and employers dropping care, an overwhelming majority of Americans agrees. According to a February 2007 New York Times/CBS News poll, 84 percent favor expanding public programs to cover all uninsured children. If that's not a mandate for Congressional action, I don't know what is.

Rather than reinvent the wheel to provide care to our children, we should build on what works in our health care system. When Congress created Medicare more than 40 years ago, our Nation's seniors were more likely to be living in poverty than any other age group. Most senior citizens were unable to afford needed medical services and unable to find health insurance in the private market even if they could afford it. Today, as a result of Medicare's success, seniors are much less likely to be shackled by the bonds of poverty or to go without needed health care.

Now it is our Nation's children who are most likely to be poor. Kids in America are nearly twice as vulnerable to poverty as adults. This travesty is not only morally reprehensible; it also has grave consequences for the future of our country. Our future rests on our ability to provide our children with the basic conditions to thrive and become healthy, educated, and productive adults.

Poor children are often malnourished and have difficulty succeeding in school. Untreated illnesses only worsen their chance for success. Providing these children with guaranteed health care would help realize their potential as individuals and our potential as a Nation.

The MediKids Health Insurance Act would create a new Federal health insurance program for children called MediKids. Modeled after Medicare, MediKids would provide comprehensive benefits appropriate to children, simplified cost sharing, prescription drug coverage and mental health parity.

Every child in America would be automatically enrolled in MediKids at birth and maintain that eligibility until age 23. Parents would retain the choice to enroll their kids in private plans or government programs such as Medicaid or SCHIP. However, if a lapse in other insurance coverage occurs, MediKids automatically fills in the gap.

MediKids doesn't have complicated enrollment and eligibility hoops. Instead, it assures that families will always have access to affordable health insurance for their children.

I can think of no better use of Congress' time—or our Nation's money—than to enact MediKids and provide health insurance to every child. Providing a simple, stable, and flexible health insurance option will afford millions of parents the peace of mind of knowing that their children will be cared for when they are sick. Our Nation's priorities should be centered on creating a bright future for our children and MediKids helps to achieve this goal.

I look forward to working with my colleagues and the many endorsing organizations, including the American Academy of Pediatrics and the Children's Defense Fund to enact the MediKids Health Insurance Act.

Below is a summary of MediKids that provides additional details.

MEDIKIDS HEALTH INSURANCE ACT OF 2007

BILL SUMMARY

The MediKids Health Insurance Act provides health insurance for all children in the United States regardless of family income level by 2014. The program is modeled after Medicare, but the benefits are improved and targeted toward children.

MediKids is the ultimate safety net, with maximum simplicity, stability, and flexibility for families. Parents may choose to enroll their children in private plans or government programs such as Medicaid or S–CHIP. However, if a lapse in other insurance coverage occurs, MediKids automatically picks up the children's health insurance. MediKids follows children across State lines when families move, and fills the gaps when families climbing out of poverty become ineligible for means-tested programs.

ENROLLMENT AND ELIGIBILITY

Every child born after December 31, 2008 is automatically enrolled in MediKids. Older children are enrolled over a 5-year phase-in as described below. Children who immigrate to the U.S. are enrolled when they receive their immigration cards. Materials describing the program's benefits, along with a MediKids insurance card, are issued to the parent(s) or legal guardian(s) of each child. Once enrolled, children remain enrolled in MediKids until they reach the age of 23. There are no re-determination hoops to jump through because MediKids is not means tested.

BENEFITS

The benefit package is based on the Medicare and the Medicaid Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) benefits for children, with simplified cost sharing mechanisms and comprehensive prescription drug coverage. The benefits will be reviewed annually and updated by the Secretary of Health and Human Services to reflect age-appropriate benefits as needed with input from the pediatric community.

PREMIUMS, DEDUCTIBLES, AND COPAYS

MediKids assures that families will always have access to affordable health insurance for their children. Families below 150 percent of poverty pay no premiums or cost sharing. Families between 150 percent and 300 percent of poverty pay reduced premiums and cost sharing. Parents above 300 percent of poverty are responsible for a small premium equal to one-fourth of the average annual cost per child. Premiums are collected at the time of income tax filing. Premiums are not assessed during periods of equivalent alternative coverage. Families will never pay more than 5 percent of their adjusted gross income (AGI) for premiums.

Cost sharing is similar to the largest plans available to Members of Congress. There is no cost sharing for preventive and well childcare for any children. A refundable tax credit is provided for cost sharing above 5 percent of AGI.

FINANCING

Initial funding to be determined by Congress. In future years, the Secretary of the Treasury would develop a package of progressive, gradual tax changes to fund the program, as the numbers of enrollees grows.

STATES

Medicaid and S–CHIP are not altered by MediKids. States can choose to maintain these programs. To the extent that the States save money from the enrollment of children into MediKids, States are required to maintain current funding levels in other programs and services directed toward the Medicaid population. This can include expanding eligibility or offering additional services. For example, States could expand eligibility for parents and single individuals, increase payment rates to providers, or enhance quality initiatives in nursing homes.

PHASE-IN

MediKids is phased-in over a 5-year period according to the following schedule: Year 1 = the child has not attained age 6; Year 2 = the child has not attained age 11; Year 3 = the child has not attained age 16; Year 4 = the child has not attained age 21; Year 5 = the child has not attained age 23.

SUPPORTING ORGANIZATIONS

American Academy of Family Physicians; American Academy of Pediatrics; American Medical Student Association; Children's Defense Fund; Consumers Union; Families USA; March of Dimes; National Association of Children's Hospitals; National Association of Community Health Centers; National Association of Public Hospitals and Health Systems; National Health Law Program; and NETWORK: A National Catholic Social Justice Lobby.

PERSONAL EXPLANATION

HON. MADELEINE Z. BORDALLO

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Ms. BORDALLO. Madam Speaker, I was absent from the Chamber during the early morning hours of Friday, May 11, 2007, and was therefore unable to record my vote on three postponed votes that were taken in the Committee of the Whole House on the State

of the Union. Had I been present for those votes on amendments to H.R. 2082, the Intelligence Authorization Act for Fiscal Year 2008, I would have voted as follows: ''no'' on rollcall No. 337; ''no'' on rollcall No. 338; and ''yea'' on rollcall No. 339.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2008

SPEECH OF

HON. BRUCE L. BRALEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2007

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1585) to authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2008, and for other purposes:

Mr. BRALEY of Iowa. Mr. Chairman, I rise today in support of my amendment to H.R. 1585, the Fiscal Year 2008 National Defense Authorization Act. My amendment represents a crucial first step in enhancing and expanding critical family support and mental health services for our National Guard and Reserve troops and their families.

I commend Chairman SKELTON and the Armed Services Committee for their work on this bill. I'm glad the committee has recognized the great contributions of our National Guard and Reserve soldiers, and has recognized that readjusting to civilian life can be especially challenging for members of the reserve component. I believe that the establishment of the Yellow Ribbon Reintegration Program in the bill is a good first step in enhancing family support services for these soldiers, but I believe that more needs to be done for the families of National Guard and Reserve troops, who have too often and for too long been forgotten and left behind.

Members of the National Guard and Reserve are serving our country more than ever in the world's most dangerous places, including Iraq and Afghanistan, and many of them are facing multiple and extended deployments, causing considerable hardships for them and for their families. To cite just one example, in January 2007, members of the Iowa National Guard's 1–133rd Infantry Battalion learned that their tour of duty in Iraq would be extended from April of this year until August.

My amendment, which requires the Secretary of Defense to conduct a study into establishing a pilot program for family-to-family support for members of the National Guard and Reserve, and conduct a study on improving support services for the children of members of the National Guard and Reserve who are undergoing deployment, will help ensure that our reserve component troops and their families receive all of the family support and mental health services they need as they continue to serve our country.

My amendment is consistent with the goals of the Armed Services Committee to enhance support services for our National Guard and Reserve troops and their families, and I urge my colleagues to support it.

HONORING JAMES C. HAGUE, JR.

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. UDALL of Colorado. Madam Speaker, I am pleased to recognize the life-long accomplishments of a Coloradan who has served as a role model for achievement and made a substantial impact on our State, Mr. James C. Hague, Jr. On Saturday, February 25, 2007, a group of family and friends met to celebrate the 98th birthday of this truly wonderful and special person.

Jim was born on February 24, 1909 in Plainview, Texas and moved to Dallas, Texas in 1912. After working in the oil refining industry as a helper in 1927, he became a chemist. During the Hoover Administration he worked for the government and was initiated into Pipefitters Local 195 in Beaumont, Texas on May 31, 1937.

In 1939, Jim married his wife Ethel, a union which lasted for 58 years. He has two stepsons, 2 grandsons and 1 granddaughter. He and Ethel moved to Denver in October 1951 at which time Jim transferred his union card to Pipefitters Local 208, a membership still active today. Jim worked at the Rocky Flats Weapons Plant as a pipefitter in the initial construction of the facility.

Jim has always been active in the civic arena. He became a member of the Westminster City Charter Convention in 1957 and, as a result of his participation, Westminster established a City Manager/Home Rule government. Jim assisted in writing the Charter for Westminster which was approved by the voters in 1958. Jim was also instrumental in establishing the Central Colorado Library District for Arapahoe, Adams, Boulder, Denver, Clear Creek, Gilpin and Jefferson Counties. He remained a member of the Library District for 14 years and was Chairman for 12 years.

Jim is an active member of the Adams County Democratic Party; he has walked many miles in precincts and made many phone calls for candidates and was even featured in several commercials for former Senator Tim Wirth. Jim is well known by Democrats throughout the State of Colorado.

Jim is a truly interesting and fascinating person. He has tales to tell of yesterdays and always makes a contribution to today. Our future is much brighter for having Jim Hague in our lives. I ask my colleagues to join me in wishing him the very best and a long healthy life with much happiness.

AFRICA'S WATER CRISIS

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. SMITH of New Jersey. Madam Speaker, yesterday the House Subcommittee on Africa and Global Health held a briefing and hearing on the important issue of Africa's water crisis. We tend to take for granted this basic necessity for human existence, and yet we are told by the United Nations Development Programme that over 1.1 billion people in developing countries do not have adequate access to safe water. Access to water is closely correlated to basic sanitation, and there too the world is facing a crisis. Some 2.6 billion people live without this second essential aspect of good health.

In its Human Development Report for 2006, the UNDP presents a heavy indictment against the international community, noting that every year 1.8 million children die from causes related to unclean water and poor sanitation. This is equivalent to 4,900 deaths every day, and diarrheal disease is the second highest cause of death in the world for children under 5. This occurs despite the fact that we now have oral rehydration therapy. These numbers dwarf the number of deaths resulting from violent conflict, and yet the UNDP points out that water and sanitation are rarely highlighted as an international concern.

In sub-Saharan Africa—the focus of the hearing—over 300 million people lack access to safe water, and some 460 million do not have access to proper sanitation. These overwhelming numbers hide the even deeper tragedy that it is the poor, both poor individuals and poor countries, who carry the greatest burden. Sub-Saharan Africa loses about 5 percent of its GDP, or about $28.4 billion each year, to the water and sanitation deficit. This figure exceeds the total amount of aid and debt relief provided to the region in 2003. And most of this loss is suffered by those households that are below the poverty line, those who can least afford to pay the cost. The lack of water also unduly affects women and girls, who in many societies have the responsibility of collecting and transporting water, which can occupy their energy and time for several hours each day.

Beyond the apparent costs in human suffering and loss of life, there are broader social and economic costs as well. Improper water management impacts agricultural and industrial development, economic growth, and the preservation of land, coastal and marine ecosystems. Equitable access to sufficient quantities of safe water is necessary for a secure, peaceful society, and threats to such access can become a source of conflict and even violence.

It is worthwhile to note that, according to the UNDP, the scarcity of water worldwide is not the result of physical availability. The Human Development Report states that household water requirements represent a very small fraction of water use, often less than 5 percent of the total. Instead the UNDP asserts that the source of the problem lies in power, poverty and inequality. Households in high-income urban areas of Asia, Latin America and Sub-Saharan Africa have access to several hundred liters of water each day through public utilities, while slum dwellers and poor households in the rural areas of those same countries have access to far less than the 20 liters a day per person required to meet the most basic human needs. The same analysis is said to apply to the areas of agriculture and industry. Income levels and access to water and sanitation systems are key elements. UNDP explicitly rejects the notion that the global water shortage is due to population increases.

Fortunately, the United States Government is acting to provide more safe water and proper sanitation to the poor of the world. Thanks to the Senator Paul Simon Water for the Poor

Act of 2005, authored by our good friend Congressman EARL BLUMENAUER who we welcomed as a witness at the hearing, the provision of affordable and equitable access to safe water and sanitation in developing countries is a legislative component of our country's foreign assistance programs.

I have learned that the lack of access can be addressed by relatively simple means by an amazingly few but deeply committed people. I learned this first-hand when I was in Uganda last year and met Robert Wright from Living Waters International. I often emphasize the importance of faith-based organizations in meeting the global health needs of the world, and Living Waters is a Christian ministry that implements water development through training, equipping and consulting. Robert was living a comfortable life in my home state of New Jersey when he decided to move himself and his family to the remote regions of Uganda to assist the poor. He went to a school operated by Living Waters to learn how to drill a well to provide water for the hospital he was building. Although he was suffering from a bout of malaria, he drove several hours to Kampala to inform our delegation of the work of Living Waters and to press the need for water for the peoples of Africa. Therefore, I was particularly pleased to welcome Mr. Malcolm Morris, the chairman of Millennium Water Alliance, which represents a number of partners including Living Water International, who informed the Subcommittee of the work being done by faith-based organizations on this issue.

RECOGNIZING THE LIFE AND LEGACY OF MR. FRANKIE CRUZ, MS. JADE CRUZ, AND MR. CHRISTOPHER CRUZ

HON. MADELEINE Z. BORDALLO

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Ms. BORDALLO. Madam Speaker, I rise today to pay tribute to SFC (Ret.) Frankie Salas Cruz for his service to his community. I commend the United States Army on Fort Hood for dedicating a Family Readiness building in honor of Sergeant Frankie Cruz. Sergeant Cruz and his 2 children, Jade Christine, and Christopher Frankie, tragically passed away on February 14, 2007 after a terrible car accident.

Sergeant Cruz was born on September 20, 1958 in Tamuning, Guam, the loving son of Juan Camacho and Luisa Borja Cruz. Sergeant Cruz was dedicated to public service from his earliest years. Many fondly remember his service as a Scoutmaster for Troop 200 and to the First Baptist Church of Lampasas, Texas. After graduating from Guam Vocational-Technical High School, he completed his Associates Degree from the University of Maryland in 1984.

During college, Sergeant Cruz, began his distinguished service to the Nation. He completed 3 years of Reserve Officer Training Corps, ROTC, leadership training then enlisted in the U.S. Army. He retired from the Army after 22 years of honorable and faithful service to our Nation. Most notably, Sergeant Cruz served our Nation honorably during the First Gulf War in 1991 and, most recently, in Operation Iraqi Freedom.

It is only appropriate that the Army name this facility after Sergeant Cruz to honor his 22 years of dedicated service. Employees and friends throughout his career note Sergeant Cruz's ''can do'' attitude with every project or task he was assigned. In fact, at the time of his passing, Sergeant Cruz had embarked as team lead for a $39 million base building rehabilitation project. The respect and admiration everyone had for Sergeant Cruz will be eternally memorialized at this building on Fort Hood.

Sergeant Cruz's daughter Jade, and son Christopher, will also be remembered fondly. Jade was born on April 12, 1988 in Fort Eustis, Virginia. Her beauty, energy and vitality were just some of the attributes that made her an accomplished athlete and cheerleader. Beyond her athletic prowess, Jade took her academics seriously and was a student at Central Texas College at the time of her passing.

Christopher was born on September 7, 1989 in Fort Eustis, Virginia. Christopher will be remembered as an accomplished scholar and member of the Junior National Honor Society. Like many other in his generation, Christopher volunteered many of his hours toward various goodwill projects. Also, much like his father, he was a highly decorated Boy Scout earning the highest rank of Eagle Scout. Christopher's talents also transcended into music. He was the drum major in the Lampasas Marching Band and played the saxophone in the high school jazz band.

The tremendous accomplishments of Jade and Christopher are reflective of their father's love, care and passion for his children. Learning of these accomplishments makes their passing even more difficult to bear. I take solace in that the memory of their love, passion and hard work will always be on display for the Fort Hood community.

I join the people of Guam and the Fort Hood community in mourning the passing of Sergeant Frankie Cruz and his children, Jade and Christopher. I offer my condolences to their wife and mother, Mrs. Linda Cruz, Sergeant Cruz's other sons and their extended family. I thank Sergeant Cruz for his admirable service to our Nation in times of great difficulty and to the support his children provided. The Cruz family can all be proud of their family's achievements and strength.

CELEBRATING 100TH BIRTHDAY OF MRS. LILLIAN BIJOU (THORTON) REVORD

HON. BART STUPAK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. STUPAK. Madam Speaker, I rise today to honor a constituent who has led a remarkable life. On Sunday, Mrs. Revord's family and friends will come together to celebrate and observe her 100th birthday, celebrating the rich life of Mrs. Lillian Bijou (Thorton) Revord.

Over the course of her life, Mrs. Revord has truly seen the history of northern Michigan unfold before her, while she herself led a life rich in experience. As a child, Mrs. Revord attended the Methodist Church in Morristown, Michigan. The church has now been removed as an historical site to Grayling, Michigan, but the church gave her a strong anchor of faith to guide her.

In the spring of 1918, Mrs. Revord first moved north to Michigan's Upper Peninsula, U.P., specifically, Grand Island in Alger County. While young Lillian was just 12 years old on Grand Island, her father worked as a teamster for a logging company and her mother did the camp's laundry and cooking. In the fall of 1918, Lillian and her family moved to the mainland so that she and her sisters could attend school.

On the mainland, in Munising, Michigan, a few years later, Lillian met Orville Revord. As she tells it, Lillian and her best friend, Leta, were walking down the Munising City Dock. Some young men were nearby and one of them took note of Lillian's pigtails by commenting, ''Well, if this one isn't a cute bunch of 'Onion Tops!' '' This teasing remark was the first interaction between the two, who started dating when Lillian was 15.

In 1924, Orville and Lillian eloped and were married in Rapid River, Michigan. Lillian was 17 and Orville was 20. Lillian's friend, Leta and Lillian's cousin James served as witnesses. There were no wedding showers or receptions, Lillian did not have a special wedding dress (just a satin dress she had made for herself for the 4th of July) and the couple's wedding gifts were a pair of pillow cases from Leta and a week's board and room from Lillian's sister, Zeph. As Lillian recalls, the Reverend Kitchen performed the ceremony. Before the ceremony, the Reverend looked up over his spectacles to say to the young couple, ''Do you two kids know what you are doing?'' Nonetheless, Orville and Lillian were married. Apparently the two did ''know what they were doing,'' as their marriage would ultimately produce five children and last 66 years. As Lillian says, ''We had nothing to start a long married career with, but we had our love and commitment and our marriage endured for better or for worse and both categories got a good workout!''

One of the challenges Orville and Lillian would face during the course of their marriage was the Great Depression, which hit five years after they were married. Orville's job on the railroad was whittled down to two days a week and the young couple, already working to raise two children, was surviving on $11.52 every two weeks. Their two sons, Orville Jr. and Billy, would sit on the sidewalk waiting for their father to come home from work swinging his lunch bucket, which held a piece of a sandwich that Orville Sr. had saved from lunchtime for the two brothers to share. Despite these challenges, the Revord family would persevere and persist during these dark times, a testament to the love and commitment between Orville and Lillian and of their faith.

Throughout her entire life, Lillian has remained a passionate lover of art and an active painter. She was the first Munising artist to be hired by the Munising Woodenware and was the last to be laid off, following the financial demise of her employer. Lillian's artwork has been cherished by locals and visitors to Munising, alike. Today, one can occasionally stumble upon one of her painted antique woodenwares on the Internet, for a considerable price. Lillian also worked for some time as a telephone operator for the Munising Telephone Company, until electronic switching was innovated.

While Lillian has remained active throughout her life pursuing a range of pursuits and challenges, early in life, she did not have the benefit of much formal education. Nonetheless, at the age of fifty, she returned to High School to take courses in typing and drivers' education, another testament to her strength.

Madam Speaker, on Sunday, the Munising community, Mrs. Revord's friends and her family will gather in the basement of the local Methodist Church, a fitting location for a woman who has made faith such a cornerstone of her life. Together, they will congratulate her on her many accomplishments over her many years. As Mrs. Revord's 100th birthday is celebrated, I would ask that you join me in congratulating her and in wishing Mrs. Lillian Revord, her children, Orville, Jr., Raoul, and Joanne and her many grandchildren all the best.

SMALL BUSINESS ADMINISTRATION ENTREPRENEURIAL DEVELOPMENT PROGRAMS REAUTHORIZATION ACT OF 2007

HON. JOE SESTAK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. SESTAK. Madam Speaker, I rise today to introduce a piece of legislation to enhance two, critical Small Business Administration, SBA, Entrepreneurial Development programs, Small Business Development Centers, SBDCs, and the Service Corps for Retired Executives, SCORE.

Serving as the Representative in a District that has been historically driven economically by vibrant local, small businesses, I greatly appreciate and support the entrepreneurial development assistance that the SBA provides.

We know that entrepreneurial development assistance programs work. Businesses who receive SBA entrepreneurial assistance are twice as likely to succeed. In addition, every Federal dollar spent on entrepreneurial development generates seven dollars in increased tax revenue.

In the past three years, due to changes in our ever-changing globalizing economy, my District has lost 607 small businesses, and 1 out of 5 manufacturing establishments. This is a trend that I am committed to reversing through fostering entrepreneurial development and creating the right set of conditions to help businesses flourish, stay and be attracted to in my District, and I believe that supporting effective small business entrepreneurial development programs is a key part of that strategy.

In 1980, Congress established the SBDC program to foster economic development by providing management, technical and research assistance to current and prospective small businesses. As you know, SBDCs provide services which include, but are not limited to, assisting small businesses with financial, marketing, production, organization, engineering and technical problems and feasibility studies.

SBDCs serve Americans with the desire to start their own venture, but lack the technical expertise associated with starting and running a successful business, and in the past few decades, have provided assistance to millions of entrepreneurs across the United States.

The SBDC program also represents the effective and efficient use of allocated Federal monies through public/private collaboration to provide necessary technical and mentoring assistance. To that end, SBDCs are funded by matching monies by state legislatures, foundations, State and local chambers of commerce, public and private universities, vocational and technical schools, and community colleges. In fact, sponsors' contributions have been increasingly exceeding the minimum 50 percent matching share, signifying greater participation among such groups and institutions.

This is why I feel especially fortunate to have several Small Business Development Sub-Centers located at local universities, such as Widener University, Kutztown University, and the University of Pennsylvania, Wharton, which provides critical business resources and technical assistance to small businesses in and around my District.

I would like to stress that the core SBDC program has been extremely effective, but there are certain operational improvements that can be implemented to increase flexibility of Small Business Development Centers to better support and serve our local small businesses and our aspiring entrepreneurs.

To that end, changes proposed in this legislation will ensure the quality of grant recipients to host SBDCs; help SBDCs maintain their autonomy from undue SBA interference; protect the confidentiality of SBDC clients; ensure that taxpayer dollars are being spent as efficiently as possible by not using SBDC funds except for the sole purpose of business development; and allowing exemptions to the current cap on non-matching portability grants in the event of Federally-designated natural or human-caused disasters.

In addition to these operation changes, it is important to strengthen the SBDC core program, which successfully navigates entrepreneurs in managing their business, by establishing specific grant programs that will allow SBDCs to tailor their services to meet the needs of particular business constituencies.

For instance, the Capital Access Initiative would establish grants to assist entrepreneurs in processing loan applications and obtaining private equity. An Innovation and Competitiveness Initiative would establish grants to allow SBDCs to become ''Technology Centers,'' to help market technologies and advanced projects to manufacturers. A Disaster Recovery Program would establish grants to allow SBDCs to assist and coordinate the Federal response for small business disaster victims.

The Older Entrepreneurial Assistance program will target older Americans interested in transitioning to become business owners, while the Small Business Sustainability Initiative will promote the development and implementation of energy efficient and clean energy improvements and technology. A National Regulatory Assistance Initiative will provide assistance to small businesses to comply with Federal regulatory requirements, and an Affordable Health Care Initiative, will help small business owners provide affordable health care insurance options to their employees.

As I also mentioned, a second program which this legislation will address is SCORE, which provides entrepreneurs with free counseling assistance by former executives. SCORE provides a valuable service to small businesses, and I believe it will be even stronger with a provision to actively recruit volunteer mentors who will greater reflect the social and economic diversity of those who utilize SBA services, such as women and underrepresented minorities.

Again, thank you for allowing me to speak this morning about this important bill, which will greatly enhance the business development resources available to America's small business owners and aspiring entrepreneurs.

THAILAND DEMOCRACY ACT OF 2007

HON. MARK STEVEN KIRK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. KIRK. Madam Speaker, on September 19, 2006, the Thai military and police overthrew the elected government of Prime Minister Thaksin Shinawatra. At the time, the popularly-elected premier was in New York City for a meeting of the United Nations General Assembly.

General Boonyaratkalin, leader of the military coup, suspended the constitution and dissolved the Cabinet, both houses of Parliament, and the Constitutional Court.

The Department of State immediately issued a statement saying, ''There's no justification for a military coup in Thailand or in anyplace else . . . we certainly are extremely disappointed by this action. It's a step backward for democracy in Thailand.''

Following the military coup, the United States suspended $24 million in bilateral assistance to the Thai government.

Now eight months after the military coup, despite promises by the military leaders to the contrary, Thailand still has not drafted a permanent constitution, held a referendum, or called for elections.

In addition, Thailand seized American patents in clear violation of international law.

On December 30, 2003, the United States Government designated Thailand as a major non-NATO ally. This status gives Thailand a range of benefits, preferred American lending, participation in military exercises and preferential bidding on Department of Defense contracts.

A military dictatorship that disposes an elected government and then seizes American intellectual property should not be considered a major non-NATO ally.

Therefore, today I am introducing the Thailand Democracy Act of 2007 to push Thailand's military government to hold democratic elections.

Under this legislation, the President is required to terminate Thailand's status as a major non-NATO ally until he can certify to the Congress that democracy has been restored to the Thai people. I urge my colleagues to condemn the continued military rule of Thailand and support this important legislation.

CONGRATULATING CLYDE TIDWELL ON HIS RETIREMENT

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 17, 2007

Mr. DUNCAN. Madam Speaker, in this day and age, it is very unusual for a person to work in a company for 40 or 50 years.

For someone to work for the same company for 66 years is truly incredible.

One of my constituents, Clyde Tidwell, recently retired from the Alcoa Company, where he worked since May 16, 1941.

I want to congratulate him on his well-deserved retirement.

I also want to salute him for his contributions to our Country and its economy.

This Nation is a better place because of Clyde Tidwell, who I believe can accurately be called a great American.

I would like to include the following article about Mr. Tidwell that ran in the Knoxville News-Sentinel on May 16, 2007 and call it to the attention of my colleagues and the other readers of the RECORD.

[From the Knoxville News-Sentinel, May 16, 2007]

IT'S TIGER'S TURN: AFTER 66 YEARS AT ALCOA, TIDWELL'S JOB IS DONE

(By Michael Silence)

Clyde ''Tiger'' Tidwell today hangs up the hard hat after working 66 years at Alcoa Tennessee.

At 87, and with his son having retired three years ago, Tidwell figures it's time to put away the safety goggles and the earplugs.

When he began May 16, 1941, he made 55 cents an hour, and a meal cost 25 cents. Tidwell was 21.

He felt fortunate because the week he started, pay increased by 10 cents an hour.

''That was pretty good'' for that time, the Blount County resident said Tuesday.

Tidwell is believed to be Alcoa Inc.'s longest active employee. The company is hosting a reception for him today.

While he describes himself as timid, Tidwell said he appreciates the gesture and he will have family and friends at the reception.

He took a break from work in 1944 to serve as a paratrooper with the 82nd Airborne in World War II.

The overhead crane operator and machinist attributes his longevity to a good job and working with good people.

''I enjoyed the work and the people,'' he said in an interview at Alcoa's North Plant.

Pittsburg-based Alcoa Inc.'s Blount County operation, which produces aluminum used for beverage cans, and its primary metals and materials management office in Knoxville employ about 1,850 workers.

Tidwell said the biggest change at Alcoa during his years with the company were the safety measures. When he started in 1941, the plant didn't have such things as safety belts and a sprinkler system, which it now does.

And, he added, there's one building in the factory now that if a gate is opened the mill shuts down.

Tidwell served in the Army several months in 1944. During that time his daughter, Judy Lynn Carter of Knoxville, was born while he was at sea headed to Europe. It was seven months before he learned of her birth.

Tidwell said during the 66 years he's worked for Alcoa there have been some ''not too rosy'' events. Two thirds of the people he started work with have died.

Tidwell himself has had two heart surgeries, but on Monday, he visited the doctor and got ''a clean bill of health.''

Now that he has some time on this hands, Tidwell said he might get back into some farming. He used to raise tobacco but has no crops now.

He never thought of retirement, but Alcoa came along with an attractive incentive plan, so he took it.

And he said it's probably time to retire. His son, Clyde Eugene Tidwell, retired from TVA three years ago.

As much as their health allows, Tidwell and his wife, Floy, want to do some traveling and spend some time at their boathouse on Fort Loudon Lake.

''We haven't loafed around a lot,'' he said of those years.

And he added, ''Life has been good to me.''

Looking back—Other events of 1941, the year Clyde ''Tiger'' Tidwell started working for Alcoa Inc.: Japanese attack Pearl Harbor; Cheerios introduced by General Mills as CheeriOats; Orson Welles' film Citizen Kane premieres; Joe DiMaggio's 56-game hitting streak; and Joan Baez and Vice President Dick Cheney were born.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2008

SPEECH OF

HON. CHRIS VAN HOLLEN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 16, 2007

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1585) to authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2008, and for other purposes:

Mr. VAN HOLLEN. Madam Chairman, yesterday, as part of the Defense Authorization bill, we voted on an amendment offered by Mr. DEFAZIO of Oregon that would, with limited exceptions, require the President to obtain congressional authorization before taking military action against Iran. I want to make something crystal clear: I fully support the intent of the amendment. However, I opposed the DeFazio Amendment for three reasons.

First by singling out Iran, the amendment created a troubling implication that the President could take military action against other countries without congressional authorization. For example, there have been reports that the Bush Administration has considered military action against Syria. The DeFazio Amendment did not mention Syria. Does the omission of Syria, or any other country, give the President a green light to attack other nations without congressional authorization? Essentially, the DeFazio Amendment re-stated what I believe to be the powers of the Congress under the U.S. Constitution and statutory law. The Executive Branch must respect those powers. It establishes a bad precedent for the Congress to pass a DeFazio type amendment every time it is concerned the Executive Branch might take military action against a particular country in violation of the Constitution and statutory law. That would send the wrong message that Congress doesn't care whether the Executive abides by the Constitution unless the Congress passes a similar amendment in every instance.

Second, it is difficult to predict every possible contingency when formulating legislation regarding the use of military force. If, for example, the DeFazio Amendment became the law of the land, and American civilians were taken hostage in Iran, the President would be prohibited from ordering a military rescue operation unless the Congress first passed a resolution. Certainly, that was not the intent of Mr. DEFAZIO's amendment, but that is its effect.

Finally, the DeFazio Amendment does not address the problem that led to the bad decision to go to war in Iraq. Afterall, President Bush asked Congress to authorize the use of force against Iraq. The problem was that Congress mistakenly passed a resolution giving the President that authority.

In conclusion, while I support the spirit and intent of this amendment, I think it establishes an unwise precedent, fails to consider all the contingencies that might lead to the justifiable use of force, and fails to address the issue that led to the war in Iraq.

Thursday, May 17, 2007

Daily Digest

HIGHLIGHTS

Senate passed H.R. 2206, U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations.

Senate agreed to the conference report to accompany S. Con. Res. 21, Concurrent Budget Resolution.

The House agreed to the conference report on S. Con. Res. 21, setting forth the congressional budget for the United States Government for fiscal year 2008 and including the appropriate budgetary levels for fiscal years 2007 and 2009 through 2012.

Senate

Chamber Action

Routine Proceedings, pages S6215–S6360

Measures Introduced: Sixteen bills and five resolutions were introduced, as follows: S. 1417–1432, and S. Res. 206–210. **Page S6266**

Measures Reported:

H.R. 1675, to suspend the requirements of the Department of Housing and Urban Development regarding electronic filing of previous participation certificates and regarding filing of such certificates with respect to certain low income housing investors.

H.R. 1676, to reauthorize the program of the Secretary of Housing and Urban Development for loan guarantees for Indian housing.

S. Res. 130, designating July 28, 2007, as ''National Day of the American Cowboy''.

S. Res. 132, recognizing the Civil Air Patrol for 65 years of service to the United States.

S. Res. 138, honoring the accomplishments and legacy of Cesar Estrada Chávez.

S. 254, to award posthumously a Congressional gold medal to Constantino Brumidi, with an amendment. **Page S6265**

Measures Passed:

U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act: Senate passed H.R. 2206, making emergency supplemental appropriations and additional supplemental appropriations for agricultural and other emergency assistance for the fiscal year ending September 30, 2007, after taking action on the following amendments proposed thereto: **Pages S6215–20**

Adopted:

Reid/McConnell Amendment No. 1123, in the nature of a substitute. **Pages S6215–19**

Withdrawn:

Pursuant to the order of the Senate of May 16, 2007, the following were withdrawn:

Reid/McConnell Amendment No. 1124 (to Amendment No. 1123), expressing the sense of the Congress that no action should be taken to undermine the safety of the Armed Forces of the United States or impact their ability to complete their assigned or future missions. **Pages S6215–19**

Reid Amendment No. 1125 (to Amendment No. 1124), expressing the sense of the Congress that no action should be taken to undermine the safety of the Armed Forces of the United States or impact their ability to complete their assigned or future missions. **Pages S6215–19**

Motion to commit the bill to the Committee on Appropriations, with instructions to report back forthwith, with Reid Amendment No. 1126.

Reid Amendment No. 1126 (to the instructions of the motion to commit H.R. 2206), expressing the sense of the Congress that no action should be taken to undermine the safety of the Armed Forces of the United States or impact their ability to complete their assigned or future missions. **Pages S6215–19**

Reid Amendment No. 1127 (to the instructions of the motion to commit (to Amendment No. 1126)), expressing the sense of the Congress that no action should be taken to undermine the safety of the

Armed Forces of the United States or impact their ability to complete their assigned or future missions. **Pages S6215–19**

Reid Amendment No. 1128 (to Amendment No. 1127), expressing the sense of the Congress that no action should be taken to undermine the safety of the Armed Forces of the United States or impact their ability to complete their assigned or future missions. **Pages S6215–16**

During consideration of this measure today, Senate also took the following action:

By 94 yeas to 1 nay (Vote No. 171), three-fifths of those Senators duly chosen and sworn, having voted in the affirmative, Senate agreed to the motion to close further debate on Reid/McConnell Amendment No. 1123 (listed above). **Pages S6218–19**

Senate insisted on its amendment, requested a conference with the House thereon, and the Chair was authorized to appoint the following conferees on the part of the Senate: Senators Byrd, Inouye, Reid, Cochran, and McConnell. **Pages S6219, S6254**

Fishing Subsidies: Senate agreed to S. Res. 208, encouraging the elimination of harmful fishing subsidies that contribute to overcapacity in the world's commercial fishing fleet and lead to the overfishing of global fish stocks. **Pages S6358–59**

Support for Government In Northern Ireland: Senate agreed to S. Res. 209, expressing support for the new power-sharing government in Northern Ireland. **Pages S6359–60**

Concurrent Budget Resolution Conference Report: By 52 yeas to 40 nays (Vote No. 172), Senate agreed to the conference report to accompany S. Con. Res. 21, setting forth the congressional budget for the United States Government for fiscal year 2008 and including the appropriate budgetary levels for fiscal years 2007 and 2009 through 2012. **Pages S6220–53**

Water Resources Development Act—Conferees: Pursuant to the order of the Senate of May 16, 2007, regarding H.R. 1495, to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, the Chair announced the appointment of the following conferees on the part of the Senate: Senators Boxer, Baucus, Lieberman, Carper, Clinton, Lautenberg, Inhofe, Warner, Voinovich, Isakson, and Vitter. **Page S6254**

Comprehensive Immigration Reform—Agreement: A unanimous-consent agreement was reached providing that at 1:00 p.m., on Monday, May 21, 2007, Senate resume consideration of the motion to proceed to consideration of S. 1348, to provide for comprehensive immigration reform; that Senator Sessions be recognized to speak pursuant to the order of May 15, 2007, and that following his remarks the time until 5:30 p.m. be equally divided and controlled for debate between the Majority and Republican Leaders, or their designees; provided further, that at 5:30 p.m. Senate vote on the motion to invoke cloture on the motion to proceed to consideration of S. 1348. **Pages S6254–58**

Nominations Confirmed: Senate confirmed the following nominations:

1 Army nomination in the rank of general.

9 Coast Guard nominations in the rank of admiral. **Pages S6358, S6360**

Messages from the House: **Page S6264**

Measures Placed on the Calendar: **Pages S6264, S6358**

Petitions and Memorials: **Page S6265**

Executive Communications: **Page S6265**

Additional Cosponsors: **Pages S6266–68**

Statements on Introduced Bills/Resolutions: **Pages S6268–S6313**

Additional Statements: **Pages S6263–64**

Notices of Hearings/Meetings: **Page S6313**

Authorities for Committees to Meet: **Page S6313**

Record Votes: Two record votes were taken today. (Total—172) **Pages S6218–19, S6253**

Adjournment: Senate convened at 9:30 a.m., and adjourned at 6:04 p.m., until 1:00 p.m. on Monday, May 21, 2007. (For Senate's program, see the remarks of the Majority Leader in today's Record on page S6360.)

Committee Meetings

(Committees not listed did not meet)

BUDGET: DEFENSE AUTHORIZATION

Committee on Armed Services: Committee concluded a hearing to examine the United States European Command in review of the Defense Authorization Request for Fiscal Year 2008 and the Future Years Defense Program, after receiving testimony from General Bantz J. Craddock, USA, Commander, United States European Command and Supreme Allied Commander, Europe, Department of Defense.

NOMINATIONS

Committee on Armed Services: Committee began consideration of certain military nominations, but did not complete action thereon, and recessed subject to the call.

CONSOLIDATION OF SECURITIES MARKETS

Committee on Banking, Housing, and Urban Affairs: Subcommittee on Securities, Insurance and Investment concluded a hearing to examine the proposal of the National Association of Securities Dealers (NASD) and the New York Stock Exchange (NYSE) to consolidate their member firm regulatory functions into a single self-regulatory organization, focusing on working towards improved regulation, after receiving testimony from Erik R. Sirri, Director, Division of Market Regulation, United States Securities and Exchange Commission; Joseph P. Borg, Alabama Securities Commission, Montgomery, on behalf of the North American Securities Administrators Association, Inc.; Mary L. Schapiro, NASD, Richard G. Ketchum, NYSE Regulation, Inc., and John C. Coffee, Jr., Columbia University Law School, all of New York, New York; and Marc E. Lackritz, Securities Industry and Financial Markets Association, Washington, D.C.

IMPROVING THE FEDERAL GOVERNMENT'S SECURITY CLEARANCE PROCESS

Committee on Homeland Security and Governmental Affairs: Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia concluded a hearing to examine the federal government's security clearance process, focusing on evaluating progress and identifying obstacles to improvement, after receiving testimony from Clay Johnson III, Deputy Director for Management, Office of Management and Budget; Robert Andrews, Deputy Under Secretary for Counterintelligence and Security, and Kathleen Watson, Director, Defense Security Services, both of the Department of Defense; Kathy L. Dillaman, Associate Director, Federal Investigative Services Division, Office of Personnel Management; Derek B. Stewart, Director, Defense Capabilities and Management, Government Accountability Office; Timothy R. Sample, Intelligence and National Security Alliance, and Doug Wagoner, Sentrillion, on behalf of the Security Clearance Reform Coalition, both of Arlington, Virginia.

LAW ENFORCEMENT IN INDIAN COUNTRY

Committee on Indian Affairs: Committee concluded an oversight hearing to examine law enforcement in Indian Country, after receiving testimony from W. Patrick Ragsdale, Director, Bureau of Indian Affairs, and Christopher B. Chaney, Deputy Bureau Director, Bureau of Indian Affairs, Office of Justice Services, both of the Department of the Interior; Regina B. Schofield, Assistant Attorney General, Office of Justice Programs, and Matthew H. Mead, United States Attorney for the District of Wyoming, both of the Department of Justice; and Scott Burns, Deputy Director for State, Local and Tribal Affairs, Office of National Drug Control Policy.

BUSINESS MEETING

Committee on the Judiciary: Committee ordered favorably reported the following bills:

S. 1027, to prevent tobacco smuggling, to ensure the collection of all tobacco taxes;

S. 221, to amend title 9, United States Code, to provide for greater fairness in the arbitration process relating to livestock and poultry contracts;

S. 376, to amend title 18, United States Code, to improve the provisions relating to the carrying of concealed weapons by law enforcement officers;

S. 1079, to establish the Star-Spangled Banner and War of 1812 Bicentennial Commission, with an amendment;

S. Res. 138, honoring the accomplishments and legacy of Cesar Estrada Chavez;

S. Res. 132, recognizing the Civil Air Patrol for 65 years of service to the United States; and

S. Res. 130, designating July 28, 2007, as "National Day of the American Cowboy".

BUSINESS MEETING

Select Committee on Intelligence: Committee began consideration of an original bill authorizing funds for fiscal year 2008 for the intelligence community, but did not complete action thereon, and recessed subject to the call.

House of Representatives

Chamber Action

Public Bills and Resolutions Introduced: 40 public bills, H.R. 2338, 2356–2394; and 7 resolutions, H.J. Res. 43; H. Con. Res. 150; and H. Res. 412–416 were introduced. **Pages H5470–72**

Additional Cosponsors: **Pages H5472–73**

Report Filed: A report was filed today as follows:

H.R. 1100, to revise the boundary of the Carl Sandburg Home National Historic Site in the State of North Carolina, with an amendment (H. Rept. 110–157). **Page H5445**

Speaker: Read a letter from the Speaker wherein she appointed Representative Weiner to act as Speaker Pro Tempore for today. **Page H5335**

National Defense Authorization Act for Fiscal Year 2008: The House passed H.R. 1585, to authorize appropriations for fiscal year 2008 for military activities of the Department of Defense and to prescribe military personnel strengths for fiscal year 2008, by a recorded vote of 397 ayes to 27 noes, Roll No. 373. Consideration of the bill began on Wednesday, May 16th. **Page H5343**

Agreed to the Hunter motion to recommit the bill to the Committee on Armed Services with instructions to report the same back to the House forthwith with an amendment, by a recorded vote of 394 ayes to 30 noes, Roll No. 372. Subsequently, Representative Skelton reported the bill back to the House with the amendment and the amendment was agreed to. **Pages H5351–53**

Agreed to amend the title so as to read: "To authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.". **Page H5354**

Agreed to:

Moran (VA) amendment (No. 15 printed in H. Rept. 110–151), that was debated on May 16th, that requires the Office of the Secretary of Defense to submit a report identifying the current capacity at Department of Defense facilities in the United States to securely hold and try before a military commission the detainees currently held at Guantanamo Bay, Cuba (by a recorded vote of 220 ayes to 208 noes, Roll No. 370). **Pages H5346–47**

Rejected:

Tierney amendment (No. 30 printed in H. Rept. 110–151), that was debated on May 16th, that sought to reduce the $8.1 billion specified for Missile Defense Agency (MDA) activities by $1.084 billion from specified programs (by a recorded vote of 127 ayes to 299 noes, Roll No. 367); **Page H5344**

Franks amendment (No. 11 printed in H. Rept. 110–151), that was debated on May 16th, that sought to increase by $764 million the amount authorized for ballistic missile defense (by a recorded vote of 199 ayes to 226 noes, Roll No. 368); **Pages H5344–45**

King (IA) amendment (No. 41 printed in H. Rept. 110–151), that was debated on May 16th, that sought to add language to section 1222 to explain that the bill's prohibition on the establishment of permanent military bases in Iraq should not be construed to prohibit the United States from establishing a temporary military base or installation by entering into basing rights agreements between the United States and Iraq and also states that Congress recognizes the United States has not established any permanent military installations inside or outside the United States (by a recorded vote of 201 ayes to 219 noes, Roll No. 369); and **Pages H5345–46**

Holt amendment (No. 32 printed in H. Rept. 110–151), that was debated on May 16th, that sought to require the videotaping of interrogations and other pertinent interactions between U.S. military personnel and/or contractors and detainees arrested and held, directs the Judge Advocates General of the respective military services to develop uniform guidelines for such videotaping, and provide access to detainees for representatives of the International Red Cross and Red Crescent, the UN High Commissioner for Human Rights, and the UN Special Rapporteur on Torture for independent monitoring of detainee conditions and treatment (by a recorded vote of 199 ayes to 229 noes, Roll No. 371). **Pages H5347–48**

Agreed that the Clerk be authorized to make technical and conforming changes to reflect the actions of the House, and that the Clerk be authorized to make the additional technical corrections which are at the desk. **Page H5355**

H. Res. 403, the rule providing for consideration of the bill, was agreed to on Wednesday, May 16th.

Presidential Message: Read a message from the President wherein he notified Congress of the continuation of the Burma emergency beyond May 20, 2007—referred to the Committee on Foreign Affairs and ordered printed (H. Doc. 110–35). **Page H5361**

Budget Resolution for FY 2008: The House agreed to the conference report on S. Con. Res. 21, setting forth the congressional budget for the United

States Government for fiscal year 2008 and including the appropriate budgetary levels for fiscal years 2007 and 2009 through 2012, by a yea-and-nay vote of 214 yeas to 209 nays, Roll No. 377.

Page H5355–74

H. Res. 409, the rule providing for consideration of the conference report, was agreed to by recorded vote of 225 ayes to 194 noes, Roll No. 376, after agreeing to order the previous question by a yea-and-nay vote of 224 yeas to 193 nays, Roll No. 375.

Pages H5355–61

Pursuant to the provisions of the conference report accompanying S. Con. Res. 21, H.J. Res. 43, increasing the statutory limit on the public debt, is considered passed by the House.

Federal Housing Finance Reform Act of 2007: The House began consideration of H.R. 1427, to reform the regulation of certain housing-related Government-sponsored enterprises. Consideration is expected to resume Tuesday, May 22nd.

Pages H5338–43, H5374–H5467

Pursuant to the rule, the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill, modified by the amendment printed in H. Rept. 110–152, shall be considered as the original bill for the purpose of amendment and shall be considered by title rather than by section. **Pages H5338–39**

Agreed to:

Kanjorski amendment (first No. 22 printed in the Congressional Record of May 16th) that clarifies that both the Federal Housing Enterprise Board and the Federal Home Loan Bank may recommend individuals for selection as independent directors at the Federal Home Loan Bank; **Pages H5421–22**

Hinojosa amendment (No. 21 printed in the Congressional Record of May 16th) that permits the director, at the request of a State, to waive the requirement that homebuyers attend in-person financial management counseling before receiving affordable housing grants, and allows the homebuyers to receive the counseling through alternate forms such as online, or over the phone; **Page H5424**

Neugebauer amendment (No. 4 printed in the Congressional Record of May 16th) that gives the regulator the authority to limit the size of growth of a GSEs portfolio only to specifically address the safety and soundness concerns with respect to the institution; **Pages H5424–27**

Frank en bloc amendment consisting of the following amendments: Eddie Bernice Johnson (TX) modified amendment (No. 2 printed in the Congressional Record of May 15th) that relates to a program of financial literacy and education to promote an understanding of consumer, economic, and personal finance issues and concepts; Boozman amendment (No. 3 printed in the Congressional Record of May 16th) that requires any homebuyer who purchases a house assisted with amounts under the affordable housing fund or who gets down payment or other assistance from amounts from the fund be ''lawfully present in the United States''; Terry amendment (No. 6 printed in the Congressional Record of May 16th) that amends the Federal Home Loan Bank Act to give the Board of Directors of an FHLB the authority to increase the minimum number of directors from each state; Donnelly amendment (No. 7 printed in the Congressional Record of May 16th) that prohibits financial counseling entities from discriminating against any particular form of housing; Blunt amendment (No. 11 printed in the Congressional Record of May 16th) that adds a new section relating to funding accountability and transparency; McCaul (TX) amendment (No. 20 printed in the Congressional Record of May 16th) that clarifies that monies going into any successor trust fund will be subject to the same prohibited uses as the fund created in the bill; and Baker amendment (No. 31 printed in the Congressional Record of May 16th) that reduces the number of members of the Board of the Federal Housing Enterprise from 5 to 3; and

Pages H5427–29

Garrett (NJ) modified amendment (second No. 22 printed the Congressional Record of May 16th) that prohibits GSEs from redirecting the costs of making allocations to the affordable housing fund through increased fees, decreased premiums, or any other manner. **Pages H5462–63**

Rejected:

Bachus amendment (No. 12 printed in the Congressional Record of May 16th) that sought to strike section 139 which relates to the Affordable Housing Fund (by a recorded vote of 148 ayes to 269 noes, Roll No. 378); **Pages H5417–21, H5443**

Hensarling amendment (No. 29 printed in the Congressional Record of May 16th) that sought to provide that the director shall suspend allocations if it is determined that allocations are contributing to an increase in the cost of mortgage rates to homebuyers (by a recorded vote of 154 ayes to 253 noes, Roll No. 379); **Pages H5422–24, H5443–44**

McHenry amendment (No. 14 printed in the Congressional Record of May 16th) that sought to require a GAO study be conducted on the effects the affordable housing fund will have on the availability and affordability of credit for homebuyers, and the extent to which the costs are passed on to the homebuyers (by a recorded vote of 176 ayes to 240 noes, Roll No. 380); **Pages H5429–30, H5444–45**

Kanjorski amendment (No. 15 printed in the Congressional Record of May 16th) that sought to

clarify the Director's authority to determine the appropriate size of the board of directors of the Federal National Mortgage Association between 7 and 15 members (by a recorded vote of 154 ayes to 263 noes, Roll No. 381); **Pages H5431–32, H5445**

Roskam amendment (No. 27 printed in the Congressional Record of May 16th) that sought to add a new paragraph limiting contributions to the affordable housing fund when the government has an on-budget and an off-budget surplus (by a recorded vote of 173 ayes to 245 noes, Roll No. 382); and **Pages H5432–36, H5445–46**

Garrett (NJ) amendment (No. 17 printed in the Congressional Record of May 16th) that sought to insert new language requiring GSEs to limit their retained portfolios to mortgages and mortgage backed securities that exclusively support affordable housing, and particularly mortgages extended to households having incomes below the median income for the area in which the property subject to the mortgage is located (by a recorded vote of 92 ayes to 322 noes, Roll No. 383). **Pages H5437–42, H5446–47**

Withdrawn:

Blumenauer amendment (No. 26 printed in the Congressional Record of May 16th) that was offered but subsequently withdrawn that sought to add a new section providing for consideration of location and energy efficiency in enterprise underwriting guidelines; **Pages H5436–37**

Al Green (TX) amendment (No. 5 printed in the Congressional Record of May 16th) that was offered but subsequently withdrawn that sought to redistribute affordable housing grants for use in disaster areas to include both Alabama and Texas in addition to Louisiana and Mississippi; **Page H5442**

Hensarling amendment (No. 32 printed in the Congressional Record of May 16th) that was offered but subsequently withdrawn that sought to strike the High Cost Area increases in Section 133 to the Conforming Loan Limit; and **Pages H5459–60**

Gary G. Miller (CA) amendment (No. 33 printed in the Congressional Record of May 16th) that was offered but subsequently withdrawn that related to conditions on conforming loan limit for high-cost areas. **Page H5460**

Point of Order sustained against:

Doolittle amendment (No. 25 printed in the Congressional Record of May 16th) that sought to make economically disadvantaged counties that receive payments under the Secure Rural Roads and Community Self-Determination Act eligible to receive Affordable Housing fund grants. **Pages H5458–59**

Proceedings Postponed:

Feeney modified amendment (No. 6 printed in the Congressional Record of May 16th) that seeks to strike low income housing grants from the affordable housing fund and inserts housing assistance provisions for the areas affected by Hurricanes Katrina and Rita, strikes language outlining affordable housing grant formulas for Indian tribal members and directs funds to be allocated "based on the formula used for the Continuum of Care competition of the Department of Housing and Urban Development", and inserts language requiring that affordable housing grants after 2007 be reserved only for rental housing voucher assistance in accordance with the Housing act of 1937;

Price (GA) amendment (No. 8 printed in the Congressional Record of May 16th) that seeks to prevent illegal immigrants from owning or renting housing built by funds from the affordable housing fund by requiring adult occupants of that housing to establish their legal residency through the use of secure forms of identification; **Pages H5448–51**

Sessions amendment (No. 10 printed in the Congressional Record of May 16th) that seeks to require the Director of the new GSE Regulator to provide information to mortgage originators about any added mortgage costs to consumers associated with the new Housing Fund; in turn, originators would have to furnish this written information to homebuyers at or before closing to qualify their mortgages for purchase, service, holding, lending on the security of or selling by the GSEs; **Pages H5451–55**

Brady (TX) amendment (No. 34 printed in the Congressional Record of May 16th) that seeks to redistribute the affordable housing grants for use in disaster areas from a ratio of 75% for Louisiana and 25% for Mississippi to create 10% for Texas by taking 5% each from the allotment for Louisiana and Mississippi; **Pages H5455–58**

Price (GA) amendment (No. 9 printed in the Congressional Record of May 16th) that seeks to require the director of a GSE to study and certify to Congress that its contributions to the affordable housing fund wouldn't contribute to its financial instability or impair its safety and soundness; **Pages H5460–61**

Doolittle amendment (No. 19 printed in the Congressional Record of May 16th) that seeks to prohibit all three mortgage lending government-sponsored enterprises (GSE's) from obtaining primary residential mortgages being granted to any person who does not have a valid Social Security number; **Pages H5461–62**

Hensarling amendment (No. 30 printed in the Congressional Record of May 16th) that seeks to strike the Affordable Housing Trust Fund budgetary placeholder language in the bill; and **Pages H5463–65**

Neugebauer amendment (No. 1 printed in the Congressional Record of May 14th) that pertains to allocations of amounts by enterprise. **Pages H5465–67**

H. Res. 404, the rule providing for consideration of the bill, was agreed to by a yea-and-nay vote of 223 yeas to 186 nays, Roll No. 374, after agreeing to order the previous question. **Pages H5354–55**

Calendar Wednesday: Agreed by unanimous consent to dispense with the Calendar Wednesday business of Wednesday, May 23rd. **Page H5467**

Meeting Hour: Agreed that when the House adjourns today, it adjourn to meet at 10:30 a.m. on Monday, May 21st for Morning Hour debate. **Page H5468**

Senate Messages: Messages received from the Senate today appear on pages H5335, H5430.

Quorum Calls—Votes: Three yea-and-nay votes and fourteen recorded votes developed during the proceedings of today and appear on pages H5344, H5345, H5345–46, H5346–47, H5347–48, H5352–53, H5354, H5354–55, H5360, H5360–61, H5373, H5443, H5443–44, H5444–45, H5445, H5445–46, H5446–47. There were no quorum calls.

Adjournment: The House met at 10 and adjourned at 12:36 a.m. on Friday, May 18th.

Committee Meetings

MISCELLANEOUS MEASURES

Committee on Agriculture: Ordered reported the following measures: H. Con. Res. 25, Expressing the sense of Congress that it is the goal of the United States that, not later than January 2, 2025, the agricultural, forestry, and working land of the United States should provide from renewable resources not less than 25 percent of the total energy consumed in the United States and continue to produce safe, abundant, and affordable food, feed, and fiber; H.R. 926, STOPP Act of 2007; and H. Res. 79, Recognizing the establishment of Hunters for the Hungry programs across the United States and the contributions of those programs to decrease hunger and help feed those in need.

AGRICULTURE, RURAL DEVELOPMENT, FDA, AND RELATED AGENCIES APPROPRIATIONS

Committee on Appropriations: Subcommittee on Agriculture, Rural Development, and Food and Drug Administration, and Related Agencies held a hearing on Marketing and Regulatory Programs. Testimony was heard from the following officials of the USDA: Bruce Knight, Under Secretary, Marketing and Regulatory Programs; Lloyd C. Day, Administrator, Agricultural Marketing Service; W. Ron DeHaven, Administrator, Animal and Plant Health Inspection Service; James E. Link, Administrator, Grain Inspection, Packers and Stockyards Administration; and Dennis Kaplan, Budget Office.

TEACHER PREPARATION

Committee on Education and Labor: Subcommittee on Higher Education, Lifelong Learning and Competitiveness held a hearing on Preparing Teachers for the Classroom: The Role of the Higher Education Act and No Child Left Behind. Testimony was heard from George Scott, Director, Education, Workforce and Income Security Issues, GAO; and public witnesses.

BROADBAND AVAILABILITY AND QUALITY

Committee on Energy and Commerce: Subcommittee on Telecommunication and the Internet held a hearing on a proposed measure addressing Broadband Mapping and Data Collection. Testimony was heard from public witnesses.

REMITTANCES INDUSTRY

Committee on Financial Services: Subcommittee on Domestic and International Monetary Policy, Trade, and Technology held a hearing entitled ''Remittances: Access, Transparency, and Market Efficiency—A Progress Report.'' Testimony was heard from public witnesses.

RUSSIAN INFLUENCE ON EASTERN EUROPE

Committee on Foreign Affairs: Held a hearing on Russia: Rebuilding the Iron Curtain. Testimony was heard from public witnesses.

AMERICAN FOREIGN POLICY MUSLIM COUNTRIES' VIEWS

Committee on Foreign Affairs: Subcommittee on International Organizations, Human Rights and Oversight held a hearing on Declining Approval for American Foreign Policy in Muslim Countries: Does It Make It More Difficult To Fight al Qaeda. Testimony was heard from a public witness.

SCHOOL SECURITY

Committee on Homeland Security: Held a hearing entitled ''Protecting Our Schools: Federal Efforts To Strengthen Community Preparedness and Response.'' Testimony was heard from Holly Kuzmich, Deputy Chief of Staff, Policy and Programs, Department of Education; Robert J. Sica, Special Agent in Charge, U.S. Secret Service, National Threat Assessment Center, Department of Homeland Security; Cornelia M. Ashby, Director, Education, Workforce, and Income Security, GAO; and public witnesses.

COAST GUARD DEEPWATER PROGRAM

Committee on Homeland Security: Subcommittee on Border, Maritime and Global Counterterrorism and the Subcommittee on Management, Investigations and Oversight held a joint hearing entitled "Deepwater: Charting a Course for Safer Waters," Testimony was heard from the following officials of the Department of Homeland Security: RADM Gary T. Blore, USCG, Program Executive Officer, Integrated Deepwater System; Richard L. Skinner, Inspector General; and CAPT Steven T. Baynes, USCG, Chief, Atlantic Area Response Enforcement Branch, U.S. Coast Guard; and public witnesses.

MISCELLANEOUS MEASURES

Committee on the Judiciary: Ordered reported the following bills: H.R. 2317, Lobbying Transparency Act of 2007; H.R. 2316, amended, Honest Leadership and Open Government Act of 2007; H.R. 2264, No Oil Producing and Exporting Cartels Act of 2007; and S. 1104, amended, To increase the number of Iraqi and Afghani translators and interpreters who may be admitted to the United States as special immigrants.

IMMIGRATION REFORM

Committee on the Judiciary: Subcommittee on Immigration, Citizenship, Refugees, Border Security, and International Law held a hearing on Comprehensives Immigration Reform: Impact of Immigration on States and Localities. Testimony was heard from public witnesses.

MISCELLANEOUS MEASURES

Committee on Natural Resources: Subcommittee on Water and Power held a hearing on the following bills: H.R. 716, Santa Rosa Urban Water Reuse Plan Act; H.R. 236, North Bay Water Reuse Program Act of 2007; H.R. 1503, Avra/Black Wash Reclamation and Riparian Restoration Project; and H.R. 1725, Rancho California Water District Recycled Water Reclamation Facility Act of 2007. Testimony was heard from Robert Quint, Acting Deputy Commissioner, Operations, Bureau of Reclamation, Department of the Interior; and public witnesses.

CARBON-NEUTRAL GOVERNMENT

Committee on Oversight and Government Reform: Subcommittee on Government Management, Organization, and Procurement held a hearing on the Carbon-Neutral Government Act of 2007. Testimony was heard from public witnesses.

GEOTHERMAL/OCEAN POWER TECHNOLOGIES

Committee on Science and Technology: Subcommittee on Energy and Environment held a hearing on Developing Untapped Potential: Geothermal and Ocean Power Technologies. Testimony was heard from public witnesses.

NASA WORKFORCE

Committee on Science and Technology: Subcommittee on Space and Aeronautics held a hearing on Building and Maintaining a Healthy and Strong NASA Workforce. Testimony was heard from the following officials of NASA: Toni Dawsey, Assistant Administrator, Human Capital Management; and John Stewart, Fellow, National Academy of Public Administration, member, Multisector Workforce Panel; and public witnesses.

LIABILITY REFORM'S SMALL BUSINESS IMPACTS

Committee on Small Business: Held a hearing to review the impact of the current legal system involving products liability on small businesses. Testimony was heard from public witnesses.

MISCELLANEOUS MEASURE; GSA FY 2008 CAPITAL INVESTMENT PROGRAM RESOLUTIONS

Committee on Transportation and Infrastructure: Subcommittee on Economic Development, Public Buildings, and Emergency Management approved for full Committee action the following: H.R. 2011, To designate the Federal building and United States courthouse located at 100 East 8th Avenue in Pine Bluff, Arkansas, as the "George Howard, Jr. Federal Building and United States Courthouse;" and GSA's Fiscal Year 2008 Capital Investment Program Resolutions.

VETERANS ENTREPRENEURSHIP

Committee on Veterans' Affairs: Subcommittee on Economic Opportunity held a hearing on Veterans Entrepreneurship and Self Employment. Testimony was heard from the following officials of the SBA: William Elmore, Associate Administrator, Veterans Business Development; and Louis J. Celli, Jr., Chairman, Advisory Committee on Veterans Business Affairs; Scott F. Denniston, Director, Small and Disadvantaged Business Utilization, Department of Veterans Affairs; representatives of veterans organizations; and public witnesses.

COMMITTEE MEETINGS FOR FRIDAY, MAY 18, 2007

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Homeland Security and Governmental Affairs: Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, to

hold hearings to examine growth trends in health care premiums for active and retired federal employees, 10:30 a.m., SD–342.

House

Committee on Appropriations, Subcommittee on Homeland Security, to mark up appropriations for fiscal year 2008, 10 a.m., B–308 Rayburn.

Committee on the Judiciary, Subcommittee on Immigration, Citizenship, Refugees, Border Security, and International Law, hearing on Comprehensive Immigration Reform: The Future of Undocumented Immigrant Students, 9 a.m., 2141 Rayburn.

Committee on Transportation and Infrastructure, Subcommittee on Economic Development, Public Buildings, and Emergency Management, hearing on Assuring the National Guard Is as Ready at Home as It Is Abroad, 10 a.m., 2167 Rayburn.

CONGRESSIONAL PROGRAM AHEAD

Week of May 21 through May 26, 2007

Senate Chamber

On *Monday,* at 1 p.m., Senate will resume consideration of the motion to proceed to consideration of S. 1348, Comprehensive Immigration Reform, and vote on the motion to invoke cloture thereon at 5:30 p.m.

During the balance of the week, Senate may consider any cleared legislative and executive business.

Senate Committees

(Committee meetings are open unless otherwise indicated)

Committee on Appropriations: May 21, Subcommittee on Labor, Health and Human Services, Education, and Related Agencies, to continue hearings to examine proposed budget estimates for fiscal year 2008 for the National Institutes of Health: A New Vision for Medical Research, 2 p.m., SD–116.

Committee on Armed Services: May 22, Subcommittee on SeaPower, closed business meeting to mark up those provisions which fall under the subcommittee's jurisdiction of the proposed National Defense Authorization Act for Fiscal Year 2008, 9 a.m., SR–222.

May 22, Subcommittee on Personnel, closed business meeting to mark up those provisions which fall under the subcommittee's jurisdiction of the proposed National Defense Authorization Act for Fiscal Year 2008, 10 a.m., SR–232A.

May 22, Subcommittee on Airland, closed business meeting to mark up those provisions which fall under the subcommittee's jurisdiction of the proposed National Defense Authorization Act for Fiscal Year 2008, 12:30 p.m., SR–222.

May 22, Subcommittee on Readiness and Management Support, closed business meeting to mark up those provisions which fall under the subcommittee's jurisdiction of the proposed National Defense Authorization Act for Fiscal Year 2008, 4 p.m., SR–222.

May 22, Subcommittee on Emerging Threats and Capabilities, closed business meeting to mark up those provisions which fall under the subcommittee's jurisdiction of the proposed National Defense Authorization Act for Fiscal Year 2008, 5:30 p.m., SR–232A.

May 23, Subcommittee on Strategic Forces, closed business meeting to mark up those provisions which fall under the subcommittee's jurisdiction of the proposed National Defense Authorization Act for Fiscal Year 2008, 11:30 a.m., SR–222.

May 23, Full Committee, closed business meeting to mark up the proposed National Defense Authorization Act for Fiscal Year 2008, 2:30 p.m., SR–222.

May 24, Full Committee, closed business meeting to mark up the proposed National Defense Authorization Act for Fiscal Year 2008, 9:30 a.m., SR–222.

Committee on Banking, Housing, and Urban Affairs: May 23, Subcommittee on Security and International Trade and Finance, to hold hearings to examine United States economic relations with China, focusing on strategies and options on exchange rates and market access, 2:30 p.m., SD–538.

Committee on Commerce, Science, and Transportation: May 22, Subcommittee on Surface Transportation and Merchant Marine Infrastructure, Safety and Security, to hold hearings to examine rail safety reauthorization, 10 a.m., SR–253.

May 23, Full Committee, to hold hearings to examine communications, taxation and federalism, 10 a.m., SR–253.

May 24, Full Committee, to hold hearings to examine the nominations of Michael E. Baroody, of Virginia, to be Chairman and Commissioner of the Consumer Product Safety Commission, and Charles Darwin Snelling, of Pennsylvania, to be a Member of the Board of Directors of the Metropolitan Washington Airports Authority, 10 a.m., SR–253.

Committee on Energy and Natural Resources: May 22, Subcommittee on Energy, to hold hearings to examine S. 645, to amend the Energy Policy Act of 2005 to provide an alternate sulfur dioxide removal measurement for certain coal gasification project goals, S. 838, to authorize funding for eligible joint ventures between United States and Israeli businesses and academic persons, to establish the International Energy Advisory Board, S. 1089, to amend the Alaska Natural Gas Pipeline Act to allow the Federal Coordinator for Alaska Natural Gas Transportation Projects to hire employees more efficiently, S. 1203, to enhance the management of electricity programs at the Department of Energy, H.R. 85, to provide for the establishment of centers to encourage demonstration and commercial application of advanced energy methods and technologies, and H.R. 1126, to reauthorize the Steel and Aluminum Energy Conservation and Technology Competitiveness Act of 1988, 2:30 p.m., SD–366.

May 23, Full Committee, business meeting to consider pending calendar business, 11:30 a.m., SD–366.

May 24, Full Committee, to hold an oversight hearing to examine opportunities and challenges associated with

coal gasification, including coal-to-liquids and industrial gasification, 9:30 a.m., SD–366.

Committee on Environment and Public Works: May 22, to hold hearings to examine the case for the California waiver, 2:30 p.m., SD–406.

Committee on Finance: May 22, to hold hearings to examine tax policy in the pipeline, focusing on oil and gas, 10 a.m., SD–215.

May 23, Full Committee, to hold hearings to examine funding Social Security's administrative costs, focusing on the budget resolution, 10 a.m., SD–215.

Committee on Foreign Relations: May 22, to hold hearings to examine the nominations of James R. Keith, of Virginia, to be Ambassador to Malaysia, Miriam K. Hughes, of Florida, to be Ambassador to the Federated States of Micronesia, Hans G. Klemm, of Michigan, to be Ambassador to the Democratic Republic of Timor-Leste, and Cameron R. Hume, of New York, to be Ambassador to the Republic of Indonesia, 10 a.m., SD–419.

May 24, Full Committee, business meeting to consider S. 392, to ensure payment of United States assessments for United Nations peacekeeping operations for the 2005 through 2008 time period, S. Con. Res. 25, condemning the recent violent actions of the Government of Zimbabwe against peaceful opposition party activists and members of civil society, S. Res. 110, expressing the sense of the Senate regarding the 30th Anniversary of ASEAN-United States dialogue and relationship, and the nominations of Phillip Carter, III, of Virginia, to be Ambassador to the Republic of Guinea, R. Niels Marquardt, of California, to be Ambassador of America to the Republic of Madagascar, and to serve concurrently and without additional compensation as Ambassador of America to the Union of Comoros, Janet E. Garvey, of Massachusetts, to be Ambassador to the Republic of Cameroon, Dell L. Dailey, of South Dakota, to be Coordinator for Counterterrorism, with the rank and status of Ambassador at Large, Mark P. Lagon, of Virginia, to be Director of the Office to Monitor and Combat Trafficking, with the rank of Ambassador at Large, and James K. Glassman, of Connecticut, to be a Member of the Broadcasting Board of Governors, and a promotion list in the Foreign Service, 11:30 a.m., S–116, Capitol.

Committee on Health, Education, Labor, and Pensions: May 22, Subcommittee on Employment and Workplace Safety, to hold hearings to examine the progress of the Mine Improvement and New Emergency Response Act (Public Law 109–236), 10 a.m., SD–628.

Committee on Homeland Security and Governmental Affairs: May 21, to hold hearings to examine S. 1352, to designate the facility of the United States Postal Service located at 127 East Locust Street in Fairbury, Illinois, as the ''Dr. Francis Townsend Post Office Building'', H.R. 1402, to designate the facility of the United States Postal Service located at 320 South Lecanto Highway in Lecanto, Florida, as the ''Sergeant Dennis J. Flanagan Lecanto Post Office Building'', H.R. 414, to designate the facility of the United States Postal Service located at 60 Calle McKinley, West in Mayaguez, Puerto Rico, as the ''Miguel Angel Garcia Mendez Post Office Building'', H.R. 625, to designate the facility of the United States Postal Service located at 4230 Maine Avenue in Baldwin Park, California, as the ''Atanacio Haro-Marin Post Office'', H.R. 988, to designate the facility of the United States Postal Service located at 5757 Tilton Avenue in Riverside, California, as the ''Lieutenant Todd Jason Bryant Post Office'', H.R. 437, to designate the facility of the United States Postal Service located at 500 West Eisenhower Street in Rio Grande City, Texas, as the ''Lino Perez, Jr. Post Office'', and the nomination of Howard Charles Weizmann, of Maryland, to be Deputy Director of the Office of Personnel Management, 5:30 p.m., S–216, Capitol.

May 22, Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, to hold joint hearings with the House Subcommittee on the Federal Workforce, Postal Service, and the District of Columbia to examine Government Accountability Office Personnel reforms, focusing on expectations, 10 a.m., 2154RHOB.

May 22, Full Committee, to hold hearings to examine implementing Federal Emergency Management Agency (FEMA) reform, focusing on the preparation for the 2007 hurricane season, 3 p.m., SD–342.

May 24, Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security, to hold hearings to examine federal real property, focusing on the property management problems highlighted in a recent Government Accountability Office report, 10 a.m., SD–342.

May 24, Ad Hoc Subcommittee on Disaster Recovery, to hold hearings to examine issues relative to residents of Louisiana affected by Hurricanes Katrina or Rita, focusing on the goals, costs, management and impediments facing Louisiana's Road Home Program, 3 p.m., SD–342.

Committee on the Judiciary: May 22, to hold hearings to examine restoring habeas corpus, focusing on protecting American values and the Great Writ, 10 a.m., SD–226.

May 23, Subcommittee on Crime and Drugs, to hold hearings to examine rising crime in the United States, focusing on the federal role in helping communities prevent and respond to violent crime, 9:30 a.m., SD–226.

May 23, Full Committee, to hold hearings to examine S. 1257, to provide the District of Columbia a voting seat and the State of Utah an additional seat in the House of Representatives, focusing on ending taxation without representation, 1:30 p.m., SD–226.

May 24, Full Committee, business meeting to consider S. 1327, to create and extend certain temporary district court judgeships, and S. 185, to restore habeas corpus for those detained by the United States, and possible authorization of subpoenas in the connection with investigation into the replacement of U.S. attorneys, 10 a.m., SD–226.

Committee on Small Business and Entrepreneurship: May 22, to hold hearings to examine minority entrepreneurship, focusing on the effectiveness of the Small Business Administration programs for the minority business community, 10 a.m., SR–428A.

Committee on Veterans' Affairs: May 22, business meeting to mark up the nomination of Michael K. Kussman, of Massachusetts, to be Under Secretary for Health of the

Department of Veterans Affairs, Time to be announced, Room to be announced.

May 23, Full Committee, to hold hearings to examine health legislation, 9:30 a.m., SD–562.

House Committees

Committee on Agriculture, May 22, Subcommittee on Conservation, Credit, Energy, and Research, to consider provisions of the 2007 Farm Bill, 10 a.m., 1300 Longworth.

May 24, Subcommittee on Livestock, Dairy, and Poultry, to consider provisions of the 2007 Farm Bill, 10 a.m., 1300 Longworth.

Committee on Appropriations, May 24, Subcommittee on Legislative Branch, on Capitol Visitors Center, 10 a.m., 2358 Rayburn.

Committee on Armed Services, May 22, Subcommittee on Oversight and Investigations, hearing on training of Iraqi Security Forces (ISF) and employment of transition teams, 9 a.m., 2118 Rayburn.

May 24, Subcommittee on Oversight and Investigations, hearing on training of development of the Iraqi police service, 9 a.m., 2212 Rayburn.

Committee on Education and Labor, May 22, Subcommittee on Health, Employment, Labor and Pensions, hearing on Health Care Reform: Recommendations To Improve Coordination of Federal and State Initiatives, 2 p.m., 2175 Rayburn.

May 24, Subcommittee on Workforce Protections, hearing on Workplace Safety: Why Do Millions of Workers Remain Without OSHA Coverage? 10:30 a.m., 2175 Rayburn.

Committee on Energy and Commerce, May 22, Subcommittee on Health, hearing entitled ''Programs Affecting Safety and Innovation in Pediatric Therapies,'' 10 a.m., 2322 Rayburn.

May 22, Subcommittee on Oversight and Investigations, hearing entitled ''Gasoline Prices, Oil Company Profits, and the American Consumer,'' 1 p.m., 2123 Rayburn.

May 24, Subcommittee on Energy and Air Quality, hearing entitled ''Legislative Hearing on Discussion Drafts concerning Energy Efficiency, Smart Electricity Grid, Energy Policy Act of 2005 Title XVII Loan Guarantees, and Standby Loans for Coal-to-Liquids Projects,'' 10 a.m., 2123 Rayburn.

Committee on Financial Services, May 22, hearing entitled ''The Role and Effectiveness of the World Bank in Combating Global Poverty,'' 2 p.m., 2128 Rayburn.

Committee on Foreign Affairs, May 22, hearing on Iraq: Is Reconstruction Failing? 10 a.m., 2172 Rayburn.

May 22, Subcommittee on Africa and Global Health, hearing on Vulture Funds and the Threat to Debt Relief in Africa: A Call to Action at the G8 and Beyond, 2 p.m., 2172 Rayburn.

May 23, full Committee, to mark up the following legislation: H.R. 885, International Nuclear Fuel for Peace and Nonproliferation Act 2007; Afghanistan Freedom Support Act of 2007; International Climate Cooperation Re-Engagement Act of 2007; S. 676, To provide that the Executive Director of the Inter-American Development Bank or the Alternate Executive Director of the Inter-American Development Bank may serve on the Board of Directors of the Inter-American Foundation; H. Con. Res. 21, Calling on the United Nations Security Council to charge Iranian President Mahmoud Ahmadinejad with violating the 1948 Convention on the Prevention and Punishment of the Crime of Genocide and the United National Charter because of his calls for the destruction of the State of Israel; H. Con. Res. 80, Calling on the Government of Uganda and the Lord's Resistance Army (LRA) to recommit to a political solution to the conflict in northern Uganda and to recommence vital peace talks, and urging immediate and substantial support for the ongoing peace process from the United States and the international community; H. Res. 137, Honoring the life and six decades of public service of Jacob Birnbaum and especially his commitment freeing Soviet Jews from religious, cultural and communal extinction; H. Res. 233, Recognizing over 200 years of sovereignty of the Principality of Liechtenstein, and expressing support for efforts by the United States continue to strengthen its relationship with that country; and H. Res. 295, Recognizing the strong alliance between the Republic of Korea and the United States and expressing appreciation to the Republic of Korea for its efforts in the global war against terrorism, 10 a.m., 2172 Rayburn.

May 23, Subcommittee on Middle East and South Asia, hearing on U.S. Assistance to the Palestinians, 2 p.m., 2172 Rayburn.

May 24, Subcommittee on Africa and Global Health, hearing on International Food Air Programs: Options To Enhance Effectiveness, 2:30 p.m., 2172 Rayburn.

May 24, Subcommittee on Europe, hearing on expanding the Visa Waiver Proram, Enhancing Transatlantic Relations, 1 p.m., 2200 Rayburn.

May 24, Subcommittee on Terrorism, Nonproliferation, and Trade, hearing on the Reauthorization of OPIC, 10 a.m., 2172 Rayburn.

Committee on Homeland Security, May 22, hearing on The Role of the Department of Homeland Security in Gulf Coast Rebuilding and Recovery Efforts, 10 a.m., 311 Cannon.

May 23, Subcommittee on Emerging Threats, Cybersecurity, and Science and Technology, hearing entitled ''Reducing Threats to Our Nation's Agriculture: Authorizing a Bio- and Agro-Defense Facility,'' 2 p.m., 311 Cannon.

May 24, Subcommittee on Management, Investigations, and Oversight, hearing entitled ''Examining the Impact of Equipment Shortages on the National Guard's Readiness for Homeland Security Missions,'' 10 a.m., 311 Cannon.

Committee on the Judiciary, May 22, Subcommittee on Commercial and Administrative Laws, oversight hearing on the Internet Tax Freedom Act: Internet Tax Moratorium, 1 p.m., 2141 Rayburn.

May 22, Subcommittee on Constitution, Civil Rights and Civil Liberties, oversight hearing on Substantive Due

Process Violations Arising from the Environmental Protection Agency's Handling of Air Quality Issues Following the Terrorist Attacks of September 11, 2001, 10 a.m., 2141 Rayburn.

May 22, Subcommittee on Crime, Terrorism, and Homeland Security, hearing on the following bills: H.R. 1943, Stop AIDS in Prison Act of 2007; and H.R. 1199, Drug Endangered Children Act of 2007, 12 p.m., 2226 Rayburn.

May 22, Subcommittee on Immigration, Citizenship, Refugees, Border Security and International Law, to consider Rules of Procedure and Statement of Policy for Private Immigration Bills, and Rules of Procedure for Private Claims Bills; followed by a hearing on Comprehensive Immigration Reform: Perspectives from Faith-Based and Immigration Communities, 1:55 p.m., 2237 Rayburn.

May 23, full Committee, hearing to continue investigation into the U.S. Attorneys Controversy and Related Matters, 10:15 a. m., 2141 Rayburn.

May 24, Subcommittee on Immigration, Citizenship, Refugees, Border Security, and International Law, hearing on Comprehensive Immigration Reform: Labor Movement Perspectives, 9 a.m., 2237 Rayburn.

Committee on Natural Resources, May 23, hearing on the Energy Policy Reform and Revitalization Act of 2007, 10 a.m., 1324 Longworth.

May 24, Subcommittee on Fisheries, Wildlife and Oceans and the Subcommittee on National Parks, Forests and Public Lands, joint oversight hearing on No Child Left Inside: Reconnecting Kids with the Outdoors, 10 a.m., 1324 Longworth.

May 24, Subcommittee on Water and Power, hearing on the following bills: H.R. 31, Elsinore Valley Municipal Water District Wastewater and Recycled Water Facilities Act of 2007; and H.R. 1526, Bay Area Regional Water Recycling Program Authorization Act of 2007, 10 a.m., 1334 Longworth.

Committee on Oversight and Government Reform, May 23, hearing on Achievements and Opportunities for Climate Protection under the Montreal Protocol, 10 a.m., 2154 Rayburn.

May 23, Subcommittee on National Security and Foreign Affairs, hearing on Weaponizing Space: Is Current U.S. Policy Protecting Our National Security? 2 p.m., 2154 Rayburn.

May 24, full Committee, to consider pending business; followed by a hearing on Invisible Casualties: The Incidence and Treatment of Mental Health Problems by the U.S. Military, 10 a.m., 2154 Rayburn.

Committee on Science and Technology, May 23, to consider pending business, 10 a.m., 2318 Rayburn.

Committee on Transportation and Infrastructure, May 22, Subcommittee on Railroads, Pipelines, and Hazardous Materials, to mark up H.R. 2095, Federal Railroad Safety Improvement Act of 2007, 3 p.m., 2167 Rayburn.

May 24, Subcommittee on Highways and Transit, hearing on Public-Private Partnerships: State and User Perspectives, 10 a.m., 2167 Rayburn.

Committee on Veterans' Affairs, May 22, Subcommittee on Disability Assistance and Memorial Affairs, hearing on the Challenges Facing the U.S. Court of Appeals for Veterans Claims, 10 a.m., 334 Cannon.

Committee on Ways and Means, May 22, Subcommittee on Health, hearing on Medicare Advantage Private Fee-For-Service Plans, 2 p.m., 1100 Longworth.

May 23, full Committee, hearing on IRS's Private Debt Collection, 10 a.m., 1100 Longworth.

May 24, Subcommittee on Select Revenue Measures, hearing on Tax Incentives for Affordable Housing, 10 a.m., 1100 Longworth.

Joint Meetings

Joint Hearing: May 22, Senate Committee on Homeland Security and Governmental Affairs, Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, to hold joint hearings with the House Subcommittee on the Federal Workforce, Postal Service, and the District of Columbia to examine Government Accountability Office Personnel reforms, focusing on expectations, 10 a.m., 2154RHOB.

Commission on Security and Cooperation in Europe: May 24, to hold hearings to examine Russia, focusing on the re-emergence of Russia as a major political and economic power, 10 a.m., B318RHOB.

Next Meeting of the **SENATE**

1 p.m., Monday, May 21

Senate Chamber

Program for Monday: Senate will resume consideration of the motion to proceed to consideration of S. 1348, Comprehensive Immigration Reform and vote on the motion to invoke cloture thereon at 5:30 p.m.

Next Meeting of the **HOUSE OF REPRESENTATIVES**

10:30 a.m., Monday, May 21

House Chamber

Program for Monday: To be announced.

Extensions of Remarks, as inserted in this issue

HOUSE

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